May 5 1987

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Brazil's economy: the shackles that must be cast off, Page 24

World news | Business summary

Gary Hart rejects newspaper charges

Gary Hart, leading contender for the Democratic nomination for the US presidency, vigorously defended himself against charges of immorality and attacked the newspaper that had published allegations.

Mr Hart, whose campaign had been thrown into serious disarray, described as "misleading and false" a report in Sunday's Miami Herald, that a young woman had spent last Friday night at his Washington home. The woman, actress and model Donna Rice, also denied the report. Page 26

Nuclear risk

The US and the Soviet Union have agreed to establish nuclear risk reduction centres as a step to avert the danger of accidental nuclear war. Page 2

Iran assets freed

The Iran-US claims tribunal ordered the US to return $451.4m in Iranian assets frozen at the time of the toppling of the Shah. The tribunal, meeting in The Hague, said the return of the funds was not linked to the fate of American hostages held in Lebanon.

Sri Lanka ‘plot’

Sri Lankan President Junius Jayewardene said an outlawed extreme leftist group planned to topple his Government by staging an insurrection similar to one crushed in 1971.

Punjab killings

Suspected Sikh separatists shot dead a local leader of Prime Minister Rajiv Gandhi's Congress (I) party in a crowded marketplace in the north Indian state of Punjab. Five other people were killed in separatist violence.

Ambrosiano arrests

Milan magistrates have issued arrest warrants for 25 more people in connection with the 1982 Banco Ambrosiano crash. Page 2

Iran attacks tanker

Iran hit a Japanese supertanker carrying a Kuwaiti cargo off Saudi Arabia in the northern Gulf, the second such attack on a Kuwaiti-linked vessel within 24 hours, regional shipping sources said.

Peru bombings

Left-wing guerrillas set off a series of bombs, plunging much of Peru into darkness in a co-ordinated offensive seemingly tied to the forthcoming seventh anniversary of their insurgency.

Indonesian landslide

At least 44 people were killed and 50 were missing in a landslide which swamped dozens of homes at a limestone quarry on the Indonesian island of Sumatra.

Dialogue to open

Morocco and Algeria have agreed to talks after 11 years of stormy relations stemming from their conflict over the western Sahara, Moroccan sources said. Page 4

Israeli strike

Israel's 60,000 students went on strike against higher tuition fees that universities say they need to help them overcome a financial crisis.

Blimp rides

A British company plans to begin blimp rides for the American public today – the first fare-paying flights in the US since the crash of the German airship Hindenburg exactly 50 years ago.

Sir Hugh Fraser

Sir Hugh Fraser, former chairman of the UK House of Fraser stores group which included Harrods, died of lung cancer, aged 50. Obituary, Page 7

Comex closes early again

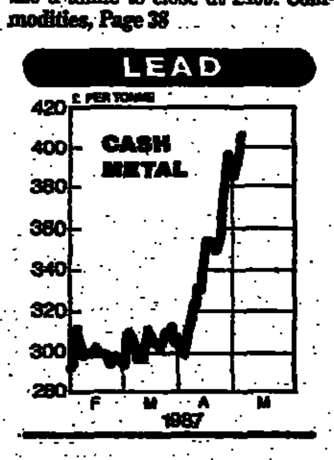
NEW YORK Commodity Exchange was forced to close early again in an attempt to clear a huge backlog of contract settlements after the recent wave of silver and gold trading. The exchange was expected to maintain normal hours of trading today. Page 26

TOKYO markets were closed for a holiday. Background to market, Page 50

WALL STREET: The Dow Jones industrial average closed up 51.85 at 2,338.07. Page 50

LONDON: Optimism grew for another cut in domestic interest rates. Bonds gained up to a full point but equities were restrained by lack of international buyers. FT-SE 100 index closed 3.4 lower at 2,065.1 and the FT Ordinary index was unchanged at 1,626.9. Details, Page 46.

LEAD: Prices rose on the London Metal Exchange on news that Cominco faces a strike at its Kimberley/Trail complex in British Columbia because of stalled union-management talks. The cash price added £29 a tonne to close at £409. Commodities, Page 38



GOLD rose $3.25 to $457.50 on the London bullion market. In Zurich it rose from $457.75 to $459.00. In New York the June Comex settlement was $460.80. Page 42

DOLLAR closed in New York at DM 1.7740; SFr 1.4570; FFr 5.9295; and Y138.85. It fell in London to DM 1.7690 (DM 1.7795); FFr 5.9175 (FFr 5.9500); SFr 1.4535 (SFr 1.4600) and Y138.70 (Y140.35). On Bank of England figures the dollar's index fell to 99.7 from 100.2. Page 43

STERLING closed in New York at $1.6825. It rose in London to $1.6885 ($1.6690); DM 2.9875 (DM 2.9750); SFr 2.4550 (SFr 2.4375); FFr 9.9925 (FFr 9.9325); but fell to Y234.25 (Y234.50). The pound's exchange rate index rose to 73.5 from 73.4. Page 43

SIEMENS, West German electrical and electronics group, managed a slight gain in net profits in the first half of this financial year but the rate of increase lagged well behind that of turnover. Page 27

ZURICH INSURANCE Group expects gross premium volume to rise by some 12 per cent this year in local currency terms. It also said an acquistion was likely to be announced soon. Page 27

HACHETTE, leading French publishing group, is to pursue its efforts to develop a major presence in television broadcasting despite failing to win control of TF1, French state TV channel recently privatised. Page 27

CONTINENTAL Gummi-Werke, West German tyre and rubber products company, is increasing its dividend for last year after again achieving sharply higher profits. Page 27

BRITISH RAIL said talks in Paris with Eurotunnel on terms under which the planned Anglo-French Channel tunnel would operate had made "some progress." They will resume today.

STATOIL, Norway's state-owned oil company, reported a 13.6 per cent drop in first-quarter pre-tax profits to NKr 2.43bn ($363m) from NKr 2.81bn, reflecting weaker oil prices than those seen a year ago. Page 27

Watergate ghost stalks Iran-Contra hearings

BY LIONEL BARBER IN WASHINGTON

IT WAS Senator Howell Heflin, the former judge and Senator from Alabama, who captured the attention and the essence of the Irangate hearings which opened on Capitol Hill yesterday.

"Yes, these hearings are about rogue elephants, Persian rug merchants, loose cannons, soldiers of fortune, privateers, profiteers, believers, hostages and Contras," he declared under the bright lights of the Senate caucus room.

"But they're also about separation of powers, national security, fifth amendment rights, allegations of misconduct ... and, importantly, they're about the rule of law."

Senator Heflin's folksy wisdom consciously evoked the spirit of Sam Ervin, the chairman of the Watergate hearings which, 14 years ago, were held in the same Senate caucus room. Indeed, Senator Heflin even quoted Sam Ervin directly, saying, "the Congressional investigation can be an instrument of freedom. Or it can be freedom's scourge."

It was inevitable that the shadow of Watergate should have fallen on yesterday's House Senate hearings, however substantial the differences between the two scandals. There were the old familiar faces: Senator Daniel Inouye, the Hawaii Democrat who now chairs the Senate select committee; Congressman Peter Rodino, who led the House impeachment proceedings against Richard Nixon, and Senator Paul Sarbanes, the silver-haired sober legislator from Maryland.

Many members of the 26-strong panel of senators and congressmen – not a woman in sight except on the crowded journalists' benches – were wary of pursuing the Watergate analogy. Most saw yesterday's hearing, the first of three months of live broadcast proceedings, as the beginnings of a cathartic process.

Senator Inouye said: "These hearings do not represent our democracy's weakness but its strength."

Other members, reflecting that 1987 is the 200th anniversary of the US constitution, told the television cameras that the joint congressional bipartisan hearings were proof of the vitality of the American system of government and the system of checks and balances between the legislature, the executive and the judiciary.

Senator Warren Rudman, the burly New Hampshire Republican and vice-chairman of the Senate select committee, citing congressional investigations of earlier scandals such as Watergate and Teapot Dome, said "the ability of Congress to discover the facts and expose improper conduct in the executive branch is one of the key checks in the brilliant system of checks and balances devised by the founding fathers of our country."

But Senator Rudman was an isolated figure within his own party at times yesterday. Several Republicans, particularly on the House side, warned that the prolonged investigation of the Iran Contra affair could damage America's reputation among its friends and allies and distract from greater issues such as arms control and trade.

Senator William Cohen, the Maine Republican, spoke for many of his colleagues in the Republican Party when he said that part of the blame for the scandal lay in Congress's inability and unwillingness to accept responsibility for stopping all aid to the Nicaraguan Contra rebels.

Richard Secord, the retired air force major general, told the hearing he felt betrayed by the Reagan Administration, which had abandoned those implicated in the affair. Mr Secord, the hearing's first witness, said that out of a total $30m made in the arms deals with Iran, about $3.5m had gone to the Nicaraguan Contras.

Mr Edwin Meese

Justice Department investigates Meese

By Nancy Dunne in Washington

MR EDWIN MEESE, US Attorney-General, is to face investigation by the Justice Department, which he heads, for possible violations of US conflict-of-interest laws.

The investigation will focus on Mr Meese's link with Wedtech, a New York-based defence contractor. Central to the investigation is a $60,000 investment in the company that Mr Meese made through a financial consultant whom he knew had links with Wedtech.

Mr Meese is the third former high level Reagan aide under legal scrutiny at a time when Congress has begun highly publicised hearings of the Iran-Contra affair. Mr Michael Deever, a close friend of Mr Meese and the President, has been indicted for perjury and Mr Lyn Nofziger, a political adviser to the President, is under investigation for his lobbying efforts on behalf of Wedtech.

Mr Meese's contacts with Wedtech began in 1982 when, as a presidential counsellor, he ordered a review which led to White House intercession for the company and ultimately a $30m army contract.

Wedtech filed for bankruptcy protection last September. In February, four former company officials pleaded guilty to inflating Wedtech's profits in bribes to public officials.

Mr Meese, one of President Reagan's oldest friends and political advisers, was the subject of an investigation by an independent counsel in 1985 before he was confirmed by the Senate as Attorney-General. He was cleared of charges of unethical conduct.

Details of the current investigation being conducted by the public integrity section of the Justice Department were revealed in a letter to the chairmen of the Congressional Judiciary Committees by Mr James McKay, the independent counsel investigating Mr Nofziger.

Mr Meese has also been criticised strongly for his failure to secure evidence in the early stages of the Irangate investigation

Blacks stay away from work on eve of S. African poll

BY ANTHONY ROBINSON IN JOHANNESBURG

HUNDREDS of thousands of black workers in South Africa stayed away from work yesterday in a peaceful protest called by anti-apartheid organisations and black trade unions against today's whites-only elections. However, the day was also marked by violence and stone throwing against buses in some townships and several landmine explosions in border areas.

More than 3m white voters are eligible to vote in today's elections to the white House of Assembly. But South Africa's 21m blacks, 72 per cent of the population, who live in "white" South Africa and the 10 "homelands" have no representation in parliament while "coloureds" (people of mixed race) and Indians, who have their own racially separate houses, are also excluded from this election.

The two-day stayaway was called by the United Democratic Front (UDF) and the Congress of South African Trade Unions (Cosatu) as a non-violent protest. But in separate incidents yesterday a black truck driver was killed and 10 black passengers injured in a landmine explosion near Messina, just south of the border with Zimbabwe.

A white soldier was seriously injured in the Vhembe area of northern Transvaal while trying to lift one of three landmines discovered on a farm road. Other mines were found nearby.

Another mine was detonated by a tractor near Malelane in the eastern Transvaal close to the border with Mozambique, while in Johannesburg two limpet mines exploded next to the civic centre early yesterday morning but caused little damage. No organisation has yet claimed responsibility for the blasts.

Last month Mr Pik Botha, the Foreign Minister, warned that intelligence reports indicated that several groups of African National Congress (ANC) guerrillas intended to infiltrate the country to disrupt the elections. On the strength of these reports South African troops shot dead five Zambians in a raid on alleged ANC bases in Zambia two weeks ago.

The labour monitoring group at Witwatersrand University reported that at least 500,000 workers stayed away from work yesterday, but added that the figure did not include miners or public service workers and was a "very conservative estimate."

The Chamber of Mines said last night that the stayaway had had a negligible effect on the mining industry, with more than 90 per cent attendance at the chamber's gold and coal mines.

The stayaway was most effective in the Vaal Triangle, South Africa's industrial and mining heartland, which includes Pretoria, Johannesburg and Vereeniging. It was also well observed in the Durban area and in the eastern Cape.

Many shops were closed in Johannesburg, trains ran nearly empty, while most bus and black minitaxi drivers stayed off the road. Offices, banks and factories across the country made do with a skeleton staff, while armed police and troops guarded airports and other strategic buildings.

The mainly coloured University of the Western Cape closed for two days in sympathy with the protest and Witwatersrand University will be closed today. Mr Stuart Saunders, vice-chancellor of the mainly white Cape Town University, yesterday tried to dissuade students from taking part in an election day protest march today, which police have threatened to break up.

The planned march follows a week of violent protest on university campuses, culminating in Monday's police assault on students holding a meeting at Johannesburg's Witwatersrand University, where more than 120 students were detained, along with several television crews and photographers.

The detentions were followed by a police statement which made clear that the police did not consider valid last week's Natal court rulings lifting some of the restrictions on media coverage of unrest.

Botha tests uncertain ground, Page 4; Editorial comment, Page 24

EC squabbles threaten free trade scheme

BY WILLIAM DAWKINS IN BRUSSELS

THE European Commission is expected to warn member states today that an ambitious scheme to scrap remaining barriers to free trade in the community risks irreparable damage unless ministers sink their differences.

Proposals being held up by national quibbling in the Council of Ministers – the decision-making body of member states – include the liberalisation of air transport, simplified food standards, the removal of border controls and mutual recognition of higher education diplomas.

In all, 112 internal market proposals are stuck in the council machinery, according to a critical report due to be adopted today by the weekly meeting of the full commission. The council should have adopted 72 proposals out of that total last year to keep to the agreed schedule for the removal of 300 barriers to free trade by 1992, says the report by Lord Cockfield, the British Commissioner responsible for the internal market.

In the nearly two years since member states agreed to the internal market scheme, the council has adopted 57 of the commission's proposals; less than half the number needed to keep on schedule. The pace of work was speeded up towards the end of 1986, but the council is now even further behind than it was this time last year, the report claims.

The lack of progress is due partly to the "regrettable delay" in getting all 12 member states to ratify the Single European Act, which should speed up decision-making by introducing more majority voting. The Act, due to have come into force on January 1, is awaiting the outcome of an Irish referendum at the end of this month.

But more worrying, says the report, is that the political will of EC leaders to meet the 1992 target is failing to reach ministers and their officials. The result is that too many proposals are becoming bogged down in narrow sectoral and national argument.

"What is at present a serious but retrievable situation will get worse," unless leaders "require their ministers to respect" the programme, the report says. It singles out ministers of agriculture and finance for "not showing sufficient recognition of the fact that the clearly laid-down 1992 target requires a major change in their outlook and in the pace at which they deal with internal market-related dossiers."

EC officials said yesterday that the commission was likely to voice its worries at the summit of EC leaders at the end of June. The Brussels authorities want to raise the plan's political importance because it has received scant attention under the present Belgian presidency of the council, which has not passed a single internal market measure.

Officials fear that it might receive even less interest from Denmark, which takes up the presidency at the end of June. Denmark has stubbornly resisted a range of industrial standards proposals on the grounds that they are not tough enough.

European diary, Page 3; Tangled path to internal market, Page 6

Sterling continues to advance amid speculation on rate cuts

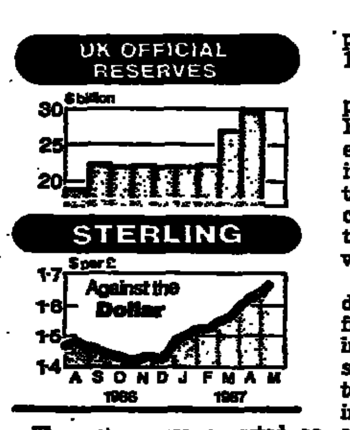
BY JANET BUSH IN LONDON

STERLING continued to strengthen yesterday as speculation mounted in British financial markets of a further cut in base lending rates in order to limit its rise.

UK domestic money market interest rates moved sharply downwards in anticipation of a half percentage point cut in base rates to 9 per cent in the near future, only a week after they were lowered from 10 per cent.

The dollar came under further pressure after what was regarded as a disappointing outcome to last week's talks between President Ronald Reagan and Mr Yasuhiro Nakasone, Japan's Prime Minister, but Wall Street was little affected by its weakness even though the currency is a key determinant of foreign investors' demand for US securities. The ability of bond prices to edge ahead helped spur stock prices to sharp gains although trading was concentrated in the blue chips. At the close the Dow Jones industrial was up 51.58 points at 2,338.07.

Bond trading was thin and tentative as credit markets prepared for the auction yesterday $10bn of three-year notes, the first leg of a $29bn refunding by the US Treasury. The notes were expected as usual to attract mainly domestic investors. Good demand was forecast, particularly from deposit-taking institutions, which are faced by weak loan demand. Moreover heavy reinvestment of interest payments and maturing notes was expected.



The dollar recovered some ground by the close in London with the help of what is believed to have been modest intervention by West Germany's Bundesbank and the Swiss National Bank.

In London, the dollar closed weaker overall at DM 1.7690, compared with Friday's closing DM 1.7795, and at Y138.70 after Y140.35.

In Britain money market participants speculated that the Bank of England could sanction lower interest rates possibly as early as today in view of sterling's strength. A cut today would have the advantage of capturing newspaper headlines on the morning of tomorrow's nationwide local elections.

Confidence in the pound was underlined by yesterday's release of figures showing a near-record rise in Britain's foreign currency reserves during April as the Bank intervened on a very substantial scale in order to slow sterling's rise against other major currencies.

The underlying rise in the reserves last month of $2.9bn compared with the rise of $1.8bn in March was much larger than financial markets had anticipated and made clear that sterling had been even stronger and the Bank of England's efforts to stop it rising even more extensive than was previously thought.

April's rise was the largest since the increase of $3bn in October

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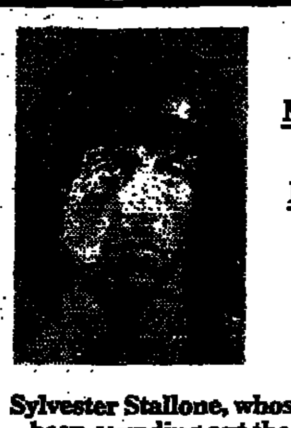

RAMBO MUSCLES IN ON LONDON SCENE

Sylvester Stallone, whose backers have been sounding out the City's money men, Page 27

WHO held 'financial hostage' by donors

THE HEAD of the World Health Organisation (WHO) said yesterday that he was being subjected to government and commercial pressures aimed at influencing the agency's policies and activities, Reuter reports from Geneva.

WHO director-general Dr Halfdan Mahler told the 166-member organisation's annual assembly it was being held financial hostage because some countries were delaying their budget contributions.

Dr Mahler was reporting to more than 1,000 delegates, including government ministers, medical officers and public health administrators on WHO's work in 1986 aimed at fighting disease and raising health levels around the world.

He said: "I am being demanded not to disseminate certain technical information on the grounds that doing so is a supranational act that might damage commercial interests or have adverse effects on tourism."

Dr Mahler did not elaborate, but some delegates believed his reference to effects on tourism could be related to country statistics and other information on AIDS

A DIPLOMATIC INCIDENT HAS TOUCHED A RAW NERVE IN THE ALBANIAN LEADERSHIP

An embassy's unwanted guests

THE SIX unwanted guests at the Italian embassy in Tirana have a quiet life, reading, watching television, doing embroidery and looking out over the well-cut lawn at the heads of the encircling Albanian police, Reuter reports from Tirana.

Seventeen months after the two Albanian brothers and four sisters barged into the embassy grounds and demanded asylum, the delicate diplomatic problem has refused to go away, solidifying into an apparently insoluble political struggle.

More than two dozen blue-uniformed police are posted around the hedged grounds of the embassy on the tree-shaded Labinotti street, a 10-minute walk from the centre of this Balkan state's capital.

The authorities have assigned two or three of their limited fleet of white cars to be parked permanently by the front gate. Diplomats here describe the situation as "a state of siege."

For the Albanian authorities the refusal of the Italians to eject physically the intruders, officially condemned as criminals, is an affront to their fiercely guarded sovereignty and has seriously affected bilateral relations.

Trade between the two countries, just 50 miles away across the Adriatic sea, plunged by 40 per cent last year, partly because for six months Italian businessmen were refused entry.

Italy, which has historic cultural links and held almost colonial sway in the inter-war years, lost its traditional top position among Western trading partners.

Italian sources said Tirana refused to sign a cultural agreement although Italy continued to provide the 30 study scholarships as promised.

The incident touched the proud and defensive leadership of this state of 3m people, one of Europe's poorest countries, on a raw nerve.

Foreign ministry officials were not available to Reuters during a visit here, but their state's stand has been expounded by the official newsagency ATA. It said the six were anti-state criminals and ruled out compromise.

It said the task of the 17 foreign embassies was to promote friendly ties. "Their mission is not to take interest in and become a shelter for the hooligans, troublesome elements, discredited before their people."

It added: "Any attempt to instigate and organise the taking-out of the Albanian nationals abroad constitutes an arrogant interference in its home affairs."

All parties in the Italian parliament have backed the Government's refusal to force the six to leave.

Rome says Albania has slipped up on its obligations to protect the territory of the Italian embassy by failing to prevent the Albanians from entering. "We did not create this problem, we are victims of it," a diplomat said.

But he said it should not be seen as a political problem and Italy wanted to promote friendly relations.

"This is a small country which has paid for its independence with enormous sacrifices. This independence is important for us, for the Balkans, for Europe," he said.

Only a handful of Albanians can travel abroad, mostly either businessmen or those visiting relatives in neighbouring Greece or Turkey.

Officials, highly sensitive to suggestions that their country isolates itself from the rest of the world, explain that this restriction is imposed because of a shortage of foreign currency.

The six who entered the embassy on December 12 1985 are aged between 49 and 82, the children of a well-to-do pharmacist who is accused by ATA of collaborating with the Italians during their occupation of Albania in the Second World War.

Diplomatic sources said another brother from the "bourgeois" family escaped from Albania in 1954. His relatives were obliged to live and work at an agricultural colony near Durres, the country's main port.

They are now confined to three rooms, a kitchen and a bathroom in space made available in the embassy complex, which also includes the ambassador's residence.

They and the permanent police guard have little to disturb them except the occasional cacophony of untrained endeavour from a music academy over the road.

Warrants issued for Italian bankers

MILAN judges investigating Italy's biggest banking scandal yesterday issued arrest warrants for 25 board members and officials of the collapsed Banco Ambrosiano, AP reports from Milan.

One of the judges, who spoke under condition of anonymity, confirmed the widely expected action

Some of the 25 charged with being "accessories to fraudulent bankruptcy" live abroad. Others who were handed the warrants in Italy will have to report to a police office once a week.

Italian law allows such benefits for persons not socially dangerous nor possible fugitives."

Such benefits were not granted to US Archbishop Paul C. Marcinkus and to two other senior officials of the Vatican Bank when they were named in arrest warrants issued by the same Milan judges in February.

The three officials, Archbishop Marcinkus, Luigi Mennini and Pellegrino de Strobel, live in Vatican City, which has the status of a foreign state, with no extradition treaty with Italy. None of them has been arrested.

US-Soviet move to cut risk of accidental war

BY WILLIAM DULLFORCE IN GENEVA

THE US and the Soviet Union have agreed to establish nuclear risk reduction centres as a step to avert the danger of accidental nuclear war. The centres will complement the "hot line" between the White House and the Kremlin.

US officials described the agreement as a confidence-building measure. The centres would "exchange information on activities covered in present and future arms control agreements," one official explained.

Each would be staffed by nationals of the country in which it was situated. The centres would be equipped with "a channel for speedy notification (of military action) and for exchanging information," the officials said.

A draft agreement and two protocols were completed during two days of talks in Geneva between Mr Richard Perle, the US Assistant Secretary of Defence, and Mr Alexei Obukhov, the Soviet nuclear arms negotiator. Mr Perle was accompanied by Mr Robert Linhard, special assistant to President Ronald Reagan.

No details have been released. The draft text is being submitted to President Reagan and Mr Mikhail Gorbachev, who announced in the communique ending their meeting in Geneva in November 1985 that their experts would study ways of reducing the risk of accidental nuclear war.

Under the original plan put forward by two influential US Senators, Sam Nunn, now chairman of the Senate Armed Services Committee, and John Warner, "nuclear risk reduction centres" in Washington and Moscow would exchange information about US and Soviet military operations and discuss each other's military doctrines.

Senior US and Soviet arms control negotiators resumed talks on strategic missiles and space weapons at the Soviet mission in Geneva yesterday amid optimistic statements from both sides.

The Senators proposed that the centres be jointly staffed by US and Soviet experts. It was also suggested that they co-ordinate US and Soviet reactions to a nuclear terrorist attack.

President Reagan's administration opened negotiations with Moscow on a watered down version of the Senators' plan.

Mr Robert McFarlane, when he was still the President's National Security Adviser, told the Senators the Administration would consider establishing centres in Washington and Moscow, separately, not jointly, staffed, to exchange information on military activities such as the launching of missiles for test purposes.

US and Soviet officials held two sessions in Geneva last year and met in the two capitals in January this year before concluding their draft agreement in Geneva on Sunday and Monday.

Stimulus for Turkish farming

By David Barchard in Ankara

TURKEY'S LARGE agricultural sector is to be stimulated with more than TL 300bn (£230m) in extra funds, according to Mr Turgut Ozal, the Prime Minister.

The country has by far the largest farming sector in the Middle East and earns a consistent surplus on its agricultural balance of payments. But the sector—which still employs more than 55 per cent of the workforce and makes up 18 per cent of gross national product—has been badly starved of investment in recent years. Farmers have also remained outside the taxation system to the dismay of successive governments.

Farmers are now to have access to up to TL 600,000 of unsecured credit a year at a concessionary interest rate of 22 per cent, well below those offered by commercial banks. However, this will be linked to production of specific levels of VAT receipts. A total of TL 200bn will be lent annually under this part of the scheme.

There is also to be a premium-based subsidy to milk producers totalling TL 35bn a year, as well as a TL 25bn rebate of 20 per cent on VAT payments for agricultural pharmaceuticals, and an enlargement of an existing VAT rebate scheme for livestock of up to 25 per cent, worth TL 100bn.

A subsidy of TL 150,000 will be made available for farmers wanting to improve the quality of their cattle and 30,000 pedigree cows are to be imported from the US and Western Europe.

The scheme has been ambitiously designed to tackle three of Mr Ozal's most pressing problems simultaneously. How to give more to farmers while taxing them more and at the same time winning their votes.

The Government suffered a rebuff at the hands of farmers in by-elections last autumn

Unions warn of unrest in Poland

By Christopher Bobinski in Warsaw

POLAND FACES labour unrest similar to that which gave rise to the Solidarity movement in 1980 if present economic policies continue, a discussion paper from economic advisers to the country's new unions warns.

The document, which has been sent for comment to affiliated unions, has angered the Government, and censors have refused to allow the full text to be published in the union's weekly newspaper.

It calls for radical changes in production and investment away from raw materials and traditional heavy industry and into modern technologies, and increased output of consumer goods. It also implies strongly that the economy is being mismanaged by the present government.

Housing shortages, the low level of consumption relative to the rest of Europe, and self-satisfied official propaganda all risk an explosion of labour unrest, the document claims.

The new unions were set up in 1982 when Solidarity was banned, and claim a membership of some 7m. Their chairman, Mr Alfred Miodowicz, is a member of the Communist Party politburo.

Government policy is criticised for maintaing the inflationary spiral by raising prices of basic consumer goods and leaving luxury items relatively cheap.

Costs in the private farming sector are too high, say the economists, and small-scale farms should be squeezed out to the benefit of larger ones—presumably still in private hands.

In line with the new unions' hardline reputation, the paper has a populist tinge and calls for higher taxation of the private sector, including confiscation of "illegally earned fortunes."

Leaders of Greek junta questioned in secret

BY ANDRIANA IERODIACONOU IN ATHENS

TWO LEADING lights of Greece's 1967-1974 military dictatorship, ex-Colonel George Papadopoulos and ex-Brigadier Dimitrios Ioannides, are being questioned behind closed doors this week by a special parliamentary committee investigating the junta's 1974 coup in Cyprus and the subsequent Turkish invasion.

Both men were sentenced to life imprisonment—in Papadopoulos's case commuted from the death penalty—in a series of trials of the junta's ringleaders in 1975.

The committee's main interest is expected to be the circumstances surrounding the withdrawal, shortly after the junta assumed power, of some 10,000 Greek troops from Cyprus and a possible US and British role in the coup and Turkish invasion.

Press reports claim that previous witnesses have alleged that the regime was given a green light from the US for the Cyprus coup, as well as assurances that Turkey would not intervene. Both have been articles of faith with the Greek public since 1974. Britain, on the other hand, is widely blamed for not halting the Turkish invasion as a guarantor of Cyprus independence.

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UNION ACCORD AIMS TO BOOST PRODUCTIVITY BY 37%

Fiat breakthrough in Alfa talks

BY JOHN WYLES IN ROME

FIAT AUTO has crossed a crucial bridge in its attempt to relaunch Alfa Romeo by reaching a comprehensive agreement with the unions aimed at boosting overall production by 37 per cent.

At the end of negotiations which the company hoped would last one month and which have taken three, Fiat is now in a position to press ahead with a L5,000bn (£2.5bn) investment programme designed to win a much larger market share at home and abroad for its Alfa Lancia group.

Describing the areement as "fundamental," Mr Giuseppe Tramontana, Alfa Lancia's managing director, claimed that the basis for recovery had now been created for a company which has lost more than £800m in the past 11 years.

Although national leaders of the three union federations were relatively satisfied with the accord, there is some resistance at local level. This will undoubtedly be registered in referendums to be held at the Alfa plants at Arese near Milan, and Pomigliano near Naples, although opposition is not thought strong enough to overturn the agreement.

Fiat appears to have secured most of the main objectives it set for itself when it acquired the ailing Alfa Romeo at the beginning of the year. In particular, the unions have agreed to do away with the system of production groups whereby 25 or 30 workers organise their tasks semi-independently. Alfa has attempted to combine these with a moving assembly line for the past five years, at great costs to efficiency, according to Fiat.

The normal assembly line system will be introduced at both Alfa plants, although the company has conceded that a small number of workers can rotate between some tasks such as engine assembly at Pomigliano. Forty-minute workbreaks at the two factories will also be organised in such a way as to keep production moving, rather than halted as at present.

Pay rises og between £90 and £550 a year, together with lump sum payments, will bring Alfa wages into line with the rest of Fiat Auto.

The workforce will be reduced from 34,000 to 28,000 by 1990 through natural wastage, although the company has promised to re-employ by then 5,000 workers currently on state-subsidised lay off. It is having to resort to two job creation measures at Pomigliano by setting up a company to repair heavy vehicles and a central office employing 300 for handling wages and salaries for the entire car group.

Fiat aims to boost Alfa Lancia production from 400,000 units a year to 620,000 in 1990. The first new Alfa car, a fast saloon called the 164, will be marketed in the autumn and by 1991 the entire model range will have been revamped and probably supplemented by a passenger van.

EC steel companies fined over quotas

THE European Commission yesterday fined five steel companies a total of Ecu 934,255 (£656,000) for breaking production quotas, writes William Dawkins in Brussels. Hoogovens of the Netherlands was fined Ecu 398,900, and West Germany's Kloeckner - Werke Ecu 333,500. Smaller penalties were imposed on Allied Steel and Wire of the UK and two Italian companies Acciaiere e Ferriere Leali Luigi and Acciaiere e Ferriere del Galeotto.

A system of EC production controls has operated since 1980 to help support prices while the steel industry restructures. Despite the fact that individual producers regularly exceed quotas.

Strike cripples Irish industry

IRISH industry was crippled yesterday by a 72-hour power strike, writes our Dublin correspondent. Electricity Supply Board workers are demanding pay increases of up to 12 per cent. The ESB estimated that half of all industrial production was halted yesterday, with heavy industry particularly badly hit. Most consumers experienced black-outs, some areas being hit twice.

The ESB refuses to pay more than the 3-4 per cent it has already tabled. The Government, too, is privately determined not to meet the demand of the power workers whose wages and conditions compare well with those of other industrial employees in Ireland.

Swedish PM to visit Washington

PRIME MINISTER Ingvar Carlsson is to make the first official visit to the US by a Swedish leader for more than 25 years, writes Kevin Done. The invitation from the White House to visit Washington in September marks a substantial improvement in relations following the serious strains that developed during the Vietnam War years. Sweden was one of the West's most outspoken critics of US foreign policy while Mr Olof Palme, assissinated last year, was Prime Minister. The US is one of Sweden's most important trading partners. It accounted for 11.3 per cent of Swedish exports last year.

William the Conqueror begins to win over the Normans

BY DAVID HOUSEGO IN PARIS

THE INSCRIPTION carved above the memorial arch at the British cemetery in Bayeux close to the Normandy coast sets out the complex intertwining of the two countries' past. It says in Latin: "We who were conquered by William have freed his country by our victory."

Almost 900 years of rivalry, misunderstandings, and bursts of reconciliation separated William the Conqueror's subduing of England in 1066 from the Allied landings in Normandy that liberated France from German occupation.

This year, Normandy is commemorating this joint history through the anniversary of William's death in 1087 in ceremonies in which Britain will participate. In towns like Caen, Falaise and Bayeux, posters are already up showing the red and yellow sail of a Norman ship driven by the wind—chosen as the emblem for the occasion.

Throughout the summer a series of pageants, cavalcades, "son et lumières," hunting spectacles, exhibitions, concerts, conferences and plays are being organised that are intended both as tourist attractions and essays in history in a country that is currently fascinated by its past.

The Prince and Princess of Wales are due to visit Caen and Bayeux on September 9 for the official ceremony on the day of the Conqueror's death. This will be preceded by a Mass for William in Bayeux Cathedral in the presence of the Archbishop of Canterbury. The royal visit is intended both to underline the Norman ancestry of the British monarchy and provide a boost to Anglo-French relations.

In a year in which preparations for the Channel Tunnel are getting under way, when France and Britain have narrowed their differences over EC reform, when their two capitals have been busily consulting on a response to Mr Mikhail Gorbachev's arms initiative, and ties between them seem stronger than for many years, the event could hardly be more timely.

Mr Michel de Boüard, the leading French historian of William, and a resident of Caen, describes him as a "great man who dominated his time and gave an impulse to history." He sees William's legacy as being the consolidation of Norman power and the founding of the feudal system which gave England a long period of stability.

European Diary

France

Paradoxically, his reputation stands less high in France than it does in England.

But, paradoxically, his reputation stands less high in France than it does in England. In Caen, which he transformed from a large village into a town by building his castle there and two imposing abbeys, there is still no statue to him, and only a small street bears his name.

He is still known locally as much by his earlier title of the "Bastard" — because he was born out of wedlock like many Viking lords — and Mr de Bouard says that his popular reputation remains that of a harsh ruler who ill-treated or killed his wife Mathilda.

One local legend has it that he had Mathilda dragged through the town by her hair. As a result of the population's indifference to her fate she cried out "Cold street" — hence the resason why one of Caen's streets is called *la rue froide*. According to another legend, she refused to consummate her marriage to William — a sufficiently close relative that the Pope's permission was needed — and that William forced himself on her and tore her dress with his sword. Recent historical research suggests in fact that they were a close couple.

France equally has never had much regard for William, regarding him a frontier warlord. In French history, the most important date in Normandy's past is its full integration into the kingdom which occurred almost two centuries later.

By contrast Mr de Bouard believes that England has much more valued William at his proper worth. He describes the Conquest in his book as a decisive break in British history from an Anglo-Saxon kingdom which until then "had looked mainly towards the North Sea, and Scandinavia" to a country whose main focus became "Continental and Western Europe.

The commemoration by Britain last year of the 900th anniversary of the drawing up of Domesday book is thus a testimony to the importance of William's legacy on the evolution of British institutions.

None the less, William's epithet of "the Conqueror" has always left a sour taste in British mouths as the one occasion this millenium when an invasion of the British Isles was successful.

Britons at the time of the invasion, as Mr de Bouard readily admits, would have seen it as a catastrophe in which much of the Anglo-Saxon aristocracy was killed, the Church decapitated and England ruthlessly plundered.

Normandy's absorption with its own past is in part a way of emphasising its regional identity. Significantly, until now it has celebrated only the key dates in the foundation of Norman power—and never, as is the case with other French provinces, Normandy's integration into France.

However, the anniversary of the birth of William in 1027 seems to have passed relatively unnoticed in Caen. A memorial placed in the Cathedral in 1927 by the City of Hastings and several largely Anglo-Norman families suggests that it was more honoured on the British side of the Channel than the French.

Notwithstanding the emphasis on Norman regional identity, Normandy is not a province with a history of revolt against the French state like La Vendée or the South West. Part of the explanation lies in its geographical disparity and part in its closeness to Paris. But, surprisingly, it has combined its loyalism to France with close ties to England—as this year's celebrations are likely to show.

Greens' radical shift hits hope of SPD link

By David Marsh in Bonn

PROSPECTS of formal co-operation between West Germany's opposition Social Democratic Party (SPD) and the Greens ecology movement have practically vanished because of a sharp Greens lurch towards radicalism.

Confirmed by last weekend's party congress in Duisberg, the "fundamentalist" wing of the Greens, which opposes collaboration with the established political order, has gained distinctly in strength since the January general elections, when the ecology grouping gained 8.3 per cent of the votes.

The victory of the radicals, who gained the leading places on the Greens' newly-elected executive board, was sharply criticised yesterday by Mr Oskar Lafontaine, the leading SPD politician who in the past has held out an olive branch.

Mr Lafontaine, Prime Minister of the Saar, who is widely regarded as the favourite to lead the SPD in the next general election in 1989, said the Greens had lost credibility by maintaining their preference for extra-parliamentary activity in spite of their increased Bundestag presence.

The results of the Duisburg congress represented a "setback" for those seeking political reform, Mr Lafontaine claimed.

Oslo starts down road to EC

BY QUENTIN PEEL IN BRUSSELS

THE Norwegian Government is preparing the ground for a new application to join the European Community, but is not yet ready to submit it. That was the gist of the message given yesterday by Mrs Gro Harlem Brundtland, the country's Prime Minister, in top-level talks with the European Commission in Brussels.

A White Paper on all aspects of Norway's relations with the Community will be tabled in Parliament by the end of the month, but it will deliberately stop short of tackling the controversial issue of full membership. That was rejected in a national referendum in 1972, and Mrs Brundtland is determined that it should not become a party political issue in the general election due to be held in 1989.

In the meantime, however, the European Commission has agreed to open a full representative office in Oslo as part of the process of ever-closer relations.

Mrs Brundtland, who was also in Brussels to present the conclusions of the World Commission on Environment and Development to the Commission and to environment ministers of both the EC and Efta, spelt out the key areas in which Norway is seking closer relations.

They are the process of removing the remaining national barriers to internal EC trade—the common market — by 1992; co-operation on research and the development of advanced technologies; and political co-operation in foreign relations.

For their part, Commission members welcomed Norway's revived interest

Mr Willy De Clercq, the Commissioner responsible for external trade and relations with Efta countries like Sweden, Austria and Switzerland as well as Norway, said the priority would remain internal integration.

Sofia plans commercial banks

BY LESLIE COLITT IN BERLIN

BULGARIA is to become the second communist country after Hungary to create competitive, profit-oriented commercial banks which are to provide state companies with the bulk of loans for investments.

Guidelines note the new commercial banks are to supply credit only for those items in the plan which are "efficient and profitable."

If the banks fail to make a profit themselves, "they will go bankrupt," the guidelines stipulate. No date was given for the banks' introduction, which follows the creation in Hungary last January of a two-tier banking system.

In future, when the state wishes to finance projects which do not meet the economic criteria of the banks, it will have to provide the investment

The reorganisation is part of a far-reaching restructuring of the Bulgarian economy, called the New Economic Mechanism. It entails a reorganisation of management, including the disbanding of economic ministries, which Western specialists in Comecon note falls well short of economic reform.

Banks should be turned into "powerful financial and credit levers" which influence economic efficiency and speed technological innovation, the guidelines say. The commercial banks are to give cheaper loans to efficient companies and charge higher interest to those less profitable.

The Bulgarian National Bank is to co-ordinate their activities, while the Foreign Trade Bank will continue to carry out currency operations. The guidelines envisage the banks as a link between the interest of the state and the interest of "self-managing" socialist companies.

Israeli businessmen take soft line on peace talks

BY ANDREW WHITLEY IN JERUSALEM

A GROUP of distinguished Israeli businessmen have come out with a conciliatory line on Middle East peace talks as a fierce debate heats up in Israel over the wisdom of the international conference plan being discussed by Mr Shimon Peres, Foreign Minister, and King Hussein of Jordan.

Mr Peres and Mr Yitzhak Shamir, the Prime Minister, yesterday agreed to set next Monday as the date for discussion by the 10-member inner cabinet of the conference proposal, putting off a debate originally scheduled for today.

But, even then, a final decision may be postponed again, to allow more time for a reconciliation between Labour and Likud, whose entrenched differences on the subject have caused the gravest crisis in the 30-month life of the coalition government.

Mr Peres is due to visit Washington later next week, and the case may be made to defer reaching any decision until his return.

Complicating matters in Jerusalem has been the carefully worded statement issued by Jordan on Monday. A key passage calls on Israel first to make up its mind about the conference before proceeding further.

Putting the best gloss possible on the Jordanian statement, the Israeli Foreign Ministry said yesterday it contained "positive elements."

As Israelis ponder where Mr Peres may be leading them, the intervention of several of the country's captains of industry in the debate has lent substance to those arguing that the present chance of peace with Jordan and the Palestinians should be seized with both hands.

Among those who signed a round-robin sponsored by the moderate-left International Centre for Peace in the Middle East are two former governors of the Bank of Israel, Mr Arnon Gafni and Mr Moshe Zanbat, and the chief executives of several major companies, notably Mr Aharon Dovrat of Clal.

The document calls for a settlement of the Palestinian question based on the twin key principles of territorial compromise and self-determination.

Indonesia obtains $609m IMF loan

By John Murray Brown in Jakarta

INDONESIA has secured a $609m (£367m) loan from the International Monetary Fund (IMF) as part of its continuing effort to adjust to lower oil earnings, the mainstay of the economy.

The loan, the first of its kind to Indonesia, was agreed in Washington yesterday. It is equivalent to SDR 462.9bn and is given under the Fund's compensatory finance facility CFF, normally reserved for non-oil commodity producers suffering deteriorating terms of trade.

Dr Arifin Siregar, governor of Indonesia's central bank, said the loan was "an indication of the confidence of the IMF in our economy and our management."

Indonesia last year saw a 40 per cent drop in oil and gas exports which historically account for half of foreign exchange earnings and over 60 per cent of budget receipts. Mining and agricultural commodities such as rubber and coffee, have also been hit badly by sluggish demand in world markets.

The government has made structural adjustments, including a 31 per cent devaluation of the rupiah against the dollar. In January, President Suharto unveiled an austerity budget for the second consecutive year.

Dr Siregar said last month that the current account deficit in fiscal 1987-88 would fall to less than $2bn against $4.1bn the previous year. However, debt repayments on the country's $38m foreign debt, public and private, are set to rise to $4.6bn partly as a result of the devaluation and the recent appreciation of the yen. Indonesia's debt service ratio—debt repayments as a percentage of exports of goods and services—is now projected at around 40 per cent.

The World Bank, Indonesia's main aid donor, also recently agreed a $300m trade adjustment loan, a type more common in Africa than Asia. Indonesia, Asia's only member of the Organisation of Oil Exporting Countries, is the bank's second largest aid recipient after India.

The recent $905m untied soft loan from Japan's Export Import Bank will be used to provide counterpart funds for World Bank projects which might otherwise have been shelved.

Anthony Robinson on unpredictable factors in South Africa's polls

Botha tests out uncertain ground

THE only sure bet in today's South African white election is the victor. Barring an unexpected political earthquake the National Party (NP) which has been in power since 1948 will be first past the post in over 100 of the 166 seats in the white House of Assembly. It will probably lose some seats but its majority, with 120 out of 178 seats in the past parliament, is just too entrenched and its control of patronage and a well funded party machine too strong to be seriously weakened this time round.

But everything else conspires to make this one of the most complex and unpredictable white elections ever. This is partly because the political landscape has changed drastically since the last elections in 1981. Then the government party faced a three cornered contest with the liberal Progressive Federal Party (PFP) on its left and the Herstigte Nasionale Party (HNP) on its right in only a handful of seats. Most were straight fights with one or the other.

This time it is also being challenged by the Conservative Party (CP) and seven independents, of whom the most important are Dr Denis Worrall and Ms Esther Lategan in the Cape and NP-defector Waynand Malan in Johannesburg. This means an unprecedented number of unpredictable three and four cornered contests.

"In the previous elections the first-past-the-post system has favoured the NP which in 1981 gained 55 per cent of the vote but 79 per cent of the seats. The HNP by contrast gained 14 per cent of the votes but no seats while the PFP gained 19 per cent of the vote and 16 per cent of the seats.

P. W. Botha: powerbase may face boundary threat.

Denis Worrall: launching a key challenge.

Thanks to the failure of the CP and HNP to cement an electoral pact the NP is likely to scrape in with an overall minority of votes in many of the 76 constituencies where the right is fielding two parties. But tactical voting by right-wing voters could still upset the NP's hopes of a split vote in some constituencies.

Another unpredictable factor is the youth vote. Over 735,000 of the 3.03m voters (compared with 2.3m in 1981) will be voting for the first time. In most countries the young tend to be more radical than their elders, a factor which in South Africa could benefit both the PFP and the CP. The PFP, however, is worried that many of its potential supporters will heed the call by the banned African National Congress (ANC) and other black groups to show solidarity with blacks by boycotting what they call the election farce. As Ms Helen Suzman, the Party's feisty law-and-order spokesperson, wryly commented "when you call an election a circus you don't expect people to vote for the clowns."

Another complication in this election is that the expanded electorate will be voting on the basis of out-dated constituency boundaries.

These were overloaded in favour of rural constituencies to start with and have since become even more unbalanced by the failure to reflect population shifts to the suburbs and especially to the fast growing Pretoria - Witwatersrand - Vereeniging (PWV) area.

As a result Walvis Bay, the South African port enclave in South West Africa which is the smallest constituency only has 4,592 voters while North Rand (Johannesburg) the largest has 33,783. The problem is exacerbated by the unequal distribution of seats among the four provinces. Transvaal has more voters than the rest of the three provinces combined but is entitled to only 76 seats instead of the 87 seats to which it would be entitled on the basis of the national average of 18,263 voters per constituency. The big loser in any future boundary re-drawing could be the Cape (the power base of President P. W. Botha) whose seats would drop from the present 56 to 47.

Given all these factors the most accurate guide to the real significance of the election results will not be the number of seats won by each party but the number of votes they each gain or lose overall. For the reasons outlined above the NP could sweep back into power with a substantial majority of seats even if it loses votes to both left and right as expected. But its opponents on both sides of the spectrum will be looking at the overall figures to judge how far the ruling party has lost ground.

They will then make their own calculations about the chances for a realignment of political forces in 1989 when, barring constitutional sleight of hand by the Government, elections are due to be held again.

Beirut national unity cabinet likely to fall

By Nora Boustany in Beirut

IT SEEMED almost certain yesterday that Lebanon's national unity cabinet—which has failed to agree political reforms or find cures for the country's economic ills—would collapse following the resignation of Prime Minister Rashid Karami.

Syrian efforts to talk the Sunni Moslom Prime Minister out of stepping down were unsucessful and Brig Ghazi Kanaan, the Syrian intelligence chief in Lebanon, said that Mr Karami was determined to resign because he "faced a dead end." Mr Amin Gemayel, Lebanon's president, did not respond to Mr Karami's announced resignation, which will be regarded as binding when given in writing.

"I will resolve the new governmental situation according to the dictates of the national interest and constitutional traditions," Mr Gemayel said yesterday. "We all hope that in the end the nation's conscience will wake up and save Lebanon on the basis of justice, freedom and equality."

Christian leaders have reacted with glee to Mr Karami's announcement. The Christian militias, the Lebanese forces, welcomed the move after a two-week campaign urging Mr Karami to leave.

Rebel threat to plantations

BY RICHARD GOURLAY IN MANILA

THE rebel leader of the largest Moslem group fighting for self-determination in the southern Philippine islands has said he will order his troops to destroy the plantations of foreign companies there unless his demands for regional autonomy are met.

Mr Nur Misuari, the chairman of the Moro National Liberation Front (MNLF), made the comment at the weekend a week before a ceasefire with the government in the 14-year Moslem sessionist war is due to expire.

Sime Darby International Tire company, the Philippine subsidiary of the Malaysian rubber multinational, which has plantations on Moslem-dominated Basilan island, is most affected by the threat and has taken it seriously.

The company yesterday sent a message to Mr Misuari reminding him that Sime Darby Berhad, the parent group, is 30 per cent-owned by the Moslem government of Malaysia and that international support for his cause in the Arab world could be harmed.

Other foreign plantations such as Dole Philippines and Del Monte are less affected as they operate in mainly Christian areas of Mindanao where the estimated 30,000 MNLF troops are not strong.

Algiers, Rabat agree talks

BY FRANCIS GHILES

ALGERIA and Morocco have agreed to talks after 11 years of difficult relations stemming from their conflict over the former Spanish colony of Western Sahara. The breakthrough came at a meeting last Sunday, with the help and in the presence of King Fahd of Saudi Arabia between President Chadli Bendjedid and King Hassan of Morocco.

Cautious optimism was expressed both in Algiers and Rabat after the communique pledging further meetings was issued. It was the first joint statement of its kind by the countries for nearly 12 years.

A rapid restoration of diplomatic relations between the countries, which were broken off in February 1976 after Algeria recognised the Saharan Arab Democratic Republic, the political arm of the Polisario Liberation Front, is discounted. The process of re-establishing mutual confidence is bound to be a slow affair.

Polisario guerrillas have been fighting Morocco's Forces Armees Royales (FAR) for the control of the territory since 1975 but the guerrillas effectively control the greater part.

Chissano aims to secure more UK military aid

BY MICHAEL HOLMAN, AFRICA EDITOR

THE incongruous alliance between an ostensibly Marxist African state and one of the most conservative governments in the West will be highlighted today when President Joaquim Chissano of Mozambique arrives in Britain on a four-day official visit.

High on the president's agenda will be security problems in a country where South African-backed rebels have waged a devastating campaign, and the need for economic assistance after a series of floods and droughts since independence in 1975.

About 4m people—nearly one-third of Mozambique's population—are in urgent need of food and medical assistance as a result of war and bad harvests.

The importance Britain attaches to the visit is indicated by President Chissano's diary: aside from an audience with the Queen, he will hold talks with Mrs Margaret Thatcher, the Prime Minister; Sir Geoffrey Howe, the Foreign Secretary and Mrs Lynda Chalker, Foreign Office minister; Mr Christopher Patten, Minister for Overseas Development; and Mr John Stanley, Defence Minister.

It reflects both the cordial ties with Mozambique forged when the late President Samora Machel played a crucial role in ensuring the success of the Lancaster House conference on Rhodesia's independence, and the strategic importance of Mozambique in southern Africa.

The ports of Nacala, Beira and Maputo are vital alternatives to South African outlets for black states.

Britain, the only western country with a defence attache accredited to Mozambique, also trains Mozambican army officers at a military centre in eastern Zimbabwe.

President Chissano is expected to urge Britain to step up military and economic assistance and may seek British support for Mozambique's efforts to reschedule its $3.2bn (£1.9bn) external debt. He is also expected to brief ministers on the extent of South African support for rebels in Mozambique and review developments in South Africa.

Brazil 'ready to renew IMF talks'

By Ivo Dawnay in Rio de Janeiro

MR Luiz Bresser Pereira, Brazil's new Finance Minister, is ready to renew talks with the International Monetary Fund (IMF) in an attempt to resolve the impasse with creditor banks over the country's $113bn (£68bn) debt, according to an economic study group.

Members of the executive committee for Inter-American Dialogue, who met the minister on Monday, said he indicated willingness to discuss Brazil's problems with the IMF while rigorously maintaining national sovereignty over final decisions.

Such a change, while still consistent with government policy, suggests a marked shift in position by Brazil. Under the leadership of the former minister, Mr Dilson Funaro, the IMF and its monitoring teams were shunned publicly.

Mr Bresser Pereira is understood, however, to believe that some kind of accommodation could be made with the IMF without breaching Brazil's two key principles—the maintenance of sovereignty and a growth-orientated economic policy.

The advantages of a deal would lie in the added impetus that fund approval would give to Brazil's demands for lower spreads on interest rates and a multi-annual rescheduling agreement.

While most Brazilian politicians are extremely hostile to any role for the IMF in the debt talks, several key leaders have recently underlined the view that the new president, Mr Michel Camdessus, has a positive "pro-growth" attitude that could help Brazil.

Under Mr Funaro's leadership, Brazil rejected any form of "enhanced" economic monitoring by the IMF as a pre-condition for agreement on new money from the banks. But one option believed to be under discussion in Brasilia is the submission of its economic plan, now being drawn up, for IMF endorsement.

The Fed is allowing commercial banks to enter a range of securities activities. William Hall reports

US investment houses face a challenge on their patch

THE Federal Reserve's decision to permit three major New York money centre banks to begin underwriting and dealing in a wide range of securities activities is the latest and most important challenge to the 1933 Glass-Steagall Act, which separates US commercial and investment banks.

After months of internal debate and public hearings the Fed last Thursday approved applications by J. P. Morgan, Citicorp and Bankers Trust to underwrite and deal in commercial paper, mortgage-backed securities and muncipal revenue bonds. The Fed had already permitted Bankers Trust and Chase Manhattan to begin selling commercial paper and the latest approvals mean that the commercial banks now have the power to enter, albeit on a limited basis, three of the most profitable securities markets, which until now have been dominated by the big US investment banks.

The Fed has been sitting on the applications for a long time and had indicated that it could take a decision by the end of April. Nevertheless, the decision caused uproar among the US investment banks, which have successfully and jealously guarded their turf by bombarding the Fed and the banks with lawsuits.

Indeed, Mr Robert Downey, a partner in Goldman Sachs, one of the most prestigious Wall Street investment banks, warned last February that approval of the applications could "change the financial world forever."

"The Fed's action is unprecedented, untimely and unauthorised by law," said Mr Edward O'Brien, president of the Securities Industry Association. Mr O'Brien noted that Senator William Proxmire, chairman of the Senate banking committee, had earlier this year asked the Fed not to approve the applications pending review by Congress. In March the Senate voted to place a one-year moratorium, which expires on March 1 1988, on the further expansion of banks into the securities business by regulatory act, pending completion of a comprehensive review of the financial system.

The SIA said that the Glass-Steagall Act "has served our nation well since it was adopted in 1933 and its fate should not be determined by regulatory action." Less than an hour after the Fed's decision on Thursday the SIA had already mobilised its lawyers to test the legality of the action.

Senator Proxmire: sought delay on applications.

The Fed has said on several occasions that it would much prefer Congress to take the decisions on what banks should and should not be allowed to do, but in the absence of congressional action it is forced to interpret the existing laws and rule on the applications.

It argues that the approval of the new securities powers is permissible under the Glass-Steagall Act as long as the banks' affiliates are "not principally engaged" in prohibited securities activities.

Last December the Fed interpreted this as permitting, with strict limitations on volume, the sale of commercial paper by a commercial lending affiliate of a bank holding company. Under its latest decision the Fed has interpreted the "not principally engaged" clause to mean that an activity is permissible as long as the gross income and domestic market share is no more than 5 per cent.

US commercial banks argue that while the drafters of the Glass-Steagall Act intended to ban banks from underwriting corporate and certain other securities, they also intended to treat bank affiliates, which are not federally insured and do not take deposits, very differently from the banks themselves.

There remains a widespread debate about the exact meaning of the act's vague wording, but almost all of corporate America, with the exception of the Wall Street investment banks, argue that Glass-Steagall has outlived its usefulness and the banks should be permitted to become more actively involved in the securities business.

When Glass-Steagall was passed the banks were the only suppliers of short-term credit to US corporations. The rapid growth of commercial paper and the "securitisation" of other forms of traditional bank lending has dramatically altered the picture. Over the past 10 years the share of bank loans as a source of short-term corporate debt for large manufacturing firms dropped from nearly half to less than 25 per cent, according to Citicorp.

Mr Dennis Weatherstone, the president of J. P. Morgan, said that was just as easy for the treasurer of a large credit-worthy corporation to raise funds by issuing commercial paper or bonds as it was to borrow the funds from a bank, and it's ofen less expensive.

The banks have also not been able to take advantage of the dramatic growth of the market for privately-issued mortgage-related securities, which has mushroomed from $1bn in 1982 to $57bn last year. Bank regulators are known to be concerned that as a result of the Glass-Steagall Act, US banks are failing to participate in some of the fastest-growing and most profitable financial markets,

Unless the restrictions on banks entering the securities business are changed the US banking industry will fall further behind its international competitors, as has happened in the automobile, steel and electronics industries, argue bankers.

"We are pleased with this first, small step in the right direction," said Citicorp on hearing of the Fed's decision. However, everyone realises that unless the Congress can agree on a sweeping reform of the financial system, which seems most unlikely in the current political environment, changes in the US financial structure will continue to be piecemeal and haphazard.

Argentina's trade unions reject offer on wages

By Tim Coone in Buenos Aires

ARGENTINA's trade unions have rejected a government offer on wages, setting gack efforts to put together a "social contract" between government, business and the unions.

Mr Saul Ubaldini, leader of the powerful General Confederation of Workers (CGT), rejected an offer to advance two standard bonus payments, normally paid in June and December, to compensate for the fall in real salaries in the first five months of the year.

"We don't want loans," said Mr Ubaldini, adding that the CGT would continue to hold out for real wage adjustments.

It was Mr Ubaldini who last week announced that the Government had conceded a general wage rise following high level talks between government and trade union officials, although no details were released at the time.

Since then a stream of contradictory statements have been emanating from the Economy and Labour Ministries, over the exact nature and amount of the wage rise. The two ministries are in deep disagreement over the issue, following the appointment of a trade union leader, Mr Carlos Alderete, to head the Labour Ministry at the beginning of April.

Mr Alderete holds sharply differing views on economic policy to Mr Juan Sourouille, the Economy Minister.

Agreement on the wages issue is seen by the trade unions as the necessary basis for signing a "social contract," which would ease tensions on the labour front over the coming six months.

Quebec deal provides boost for Mulroney

Robert Gibbens on a Canadian province's return to the fold

MR BRIAN MULRONEY, the Canadian Prime Minister, has scored a notable success with the agreement, announced last week, enabling Quebec to adhere to the federal constitution adopted in 1982.

A settlement with the French-speaking province was one of the three major points of the political agenda with which Mr Mulroney's Progressive Conservative Party won the federal election of 1984. The others were to control the federal budget deficit, where progress has been slow; and a free trade agreement of some sort with the US, where all remains to be played for.

The Quebec settlement, reached at a conference of the 10 provincial premiers with Mr Mulroney, gives Quebec most of what it sought in 1982. The agreement could lead to a new era in provincial-federal relations, with consultation replacing the habitual confrontation and posturing.

At worst, a diminution of federal powers could make the country more difficult to govern and, in Quebec, extreme nationalists may try to use the agreement as a platform for renewed agitation for separation from Canada. Mr Pierre Marc Johnson, leader of the separatist Parti quebecois, complained at once that the Quebec Premier, Mr Robert Bourassa, had given away the store.

The agreement reached between Mr Mulroney and the provincial premiers in essence provides that:

- Quebec is recognised as a distinct French-speaking society within Canada.
- Unanimous consent is needed from Ottawa and all provinces for changes in the constitution dealing with key matters such as the House of Commons, the Senate, the Supreme Court, provincial boundaries and the formation of new provinces. The existing amending formula, requiring consent from seven provinces, with half Canada's population, would continue to apply for other charges.
- Ottawa provides "reasonable compensation" to any province not wanting to participate in future national cost programmes in an area of provincial jurisdiction, usually of welfare. But such a province must meet national objectives in its alternative arrangements.
- A province can make its own immigration agreement with Ottawa.
- Three of the Supreme Court judges must come from Quebec. Ottawa continues to appoint judges and senators, taking candidates from provincial lists of nominees. Ottawa may refuse a nominee.
- Under the constitution, the Prime Minister and the provincial premiers must meet at least twice a year, once to discuss the constitution and once the economy.

While such an agenda may hardly seem revolutionary, it means Quebec has a veto again over major constitutional change, but that power is shared equally with the other provinces, even tiny Prince Edward Island. Quebec is a distinct society, but no-one yet knows what that will mean in a legal sense.

This is what angers the Parti Quebecois, badly in need of an issue to help it regroup, but is unlikely to sway the Quebec voter at present, preoccupied more by the economy.

The doubts centre on the right of provinces, not only Quebec, to opt out of national programmes. Some constitutional experts predict endless debate over what is "reasonable compensation" and "national objectives" and spot a diminution of federal powers.

But Mr Mulroney did achieve what is generally accepted as a working formula for bringing Quebec back to the fold and also a major political success. The proposals must be put into precise legal form by late June and ratified later by all the provinces and by the Canadian parliament.

Ecuador to restart oil output in Amazon fields

BY SARITA KENDALL IN QUITO

ECUADOR is restarting Amazon oil production after a two-month shutdown following the earthquake on March 5.

A new 35 km link to the Colombian pipeline which crosses the Andes from the Putumayo oilfield to the Pacific coast is being tested, and will be inaugurated by the presidents of Ecuador and Colombia on Friday.

Crude production will be limited to about 35,000 barrels a day at first, gradually building up to 50,000 b/d. The oil will be shipped south to the state refinery at Esmeraldas, which lies at the end of Ecuador's trans-Andean pipeline, put out of action by the earthquake.

More than 30 km of the Ecuadorian line were destroyed by tremors and mud avalanches, making it impossible to continue operating the Amazon oilfield. Reconstruction work has already begun, and it is hoped that the pipeline will be back in use during August.

Although the Government plans to increase crude production to 320,000 b/d by the end of the year, there will be a big loss of export income, and Ecuador's usually healthy trade surplus will be cut right down.

Two new exploration contracts have been signed in the last few days with a view to increasing reserves in the Amazon area. These two contracts—one consortium consists of Braspetro, Elf Aquitaine and Britoil, the other is performed by Elf Aquitaine, Braspetro and YPF of Argentina—will be followed up by two more in other parts of the Amazon region.

The Ecuadorian and Colombian governments are also expected to announce details of a joint exploration programme along the frontier when presidents Leon Febres Cordero and Virgilio Barco meet in Lago Agrio on Friday.

Fed deputy 'not seeking Volcker job'

FEDERAL Reserve Board vice-chairman Mr Manuel Johnson said he is not pursuing the post of Fed chairman, but added that he would not turn it down if the job were offered, Reuter reports from Washington.

"Anybody would be flattered" to be offered the job of Fed chairman, "but I'm not seeking the job," he told a group of business writers and editors.

He said the current chairman, Mr Paul Volcker, "continues to be an exceptional chairman."

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Business takes off with Falcon

WORLD TRADE NEWS

Australian casino order set to go to Malaysia

By Chris Sherwell in Sydney

MALAYSIA'S Genting Berhad, which runs casinos in Kuala Lumpur, the Bahamas, Perth and Adelaide, has emerged as the likely winner of the controversial contract for a Sydney casino, the largest in the world.

The Sydney casino will be Australia's ninth and the world's largest, with some 400 tables. The project, part of the Darling Harbour redevelopment in Sydney, includes a 680-room hotel and is reckoned to be worth some $600m *(£375m)*.

An announcement from the New South Wales Government yesterday said a consortium of Genting and its local partner, Civil and Civic, would win, provided Genting was cleared in current investigations concerning its West Australian operations.

The State Government said three remaining bidders for the contract had been eliminated—a consortium of Federal Hotels and Sabemo with Resorts International of the US, a second linking the Kern Corporation with the US-based Trump Casino group, and the Hong Kong-Macau-Sydney consortium led by Mr Stanley Ho, a Hong Kong businessman.

Details of the West Australian investigations are not known, and the consortium's application must be considered again once the outcome is known.

The casino project has long been the subject of controversy. Last August, the US casino operator Harrah's found itself out of the running after the State Department reversed a decision awarding it the lucrative contract.

This was apparently because of adverse reports on individuals involved with Harrah's and Hooker Corporation, its local partner. Hooker now has a damages case against the Government before the courts.

Last January, Harrah's and its new local partner were suddenly dropped from the list of five tenderers, but apparently over an entirely different problem—the state's demand for a 30 per cent tax on casino revenues, the highest casino tax in the world.

Yesterday's news follows reports of extensive police investigations into the four tenderers and speculation about reservations over some of them. The investigations were conducted at home and abroad.

Canada contravening Gatt subsidies code on grain, says US

BY WILLIAM DULLFORCE IN GENEVA

THE US yesterday charged Canada with contravening the subsidies code of the General Agreement on Tariffs and Trade (Gatt) by imposing countervailing duty on imports of grain corn from the US.

The dispute has broken out just as the two countries near the climax of year-long negotiations on the conclusion of a free-trade agreement. More trade passes between the US and Canada than between any other two countries in the world.

Presenting its case before a specially convened meeting of the Gatt subsidies committee yesterday, the US said the Canadian action was of "fundamental and far-reaching significance" because it was based on "potential" rather than actual imports of grain corn.

In March, the Canadian government slapped a duty of 85 US cents a pound on US grain corn after the Canadian Import Tribunal had found that Canadian farmers were suffering "material injury." The tribunal was passing judgment on a petition filed by the Ontario Corn Producers' Association.

Canada claims that US farm subsidies are stimulating a large over-production of grain in the US which in turn forces down world grain prices and effectively reduces Canadian grain farmers' incomes. The duty imposed is equivalent to roughly 55 per cent of the present Chicago Board of Trade price.

The US points out that the Canadian case is not based on evidence showing any substantial increase in imports from the US.

The Canadian tribunal had decided that "potential or likely imports" at a world price were enough to establish the casual link required to substantiate countervailing action under the Gatt subsidies code.

In effect, the US argues, Canada has decided that a declining world price for grain corn is sufficient cause of injury to prompt the imposition of a countervailing duty.

Other countries represented on the Gatt subsidies committee complained about the lack of detailed information on the issue.

The committee decided that the Canadians should submit the full judgment of its Import Tribunal at the committee's next regular meeting on June 3 and that meanwhile, the US and Canada should continue bilateral talks in search of a solution.

● The Canada-US car pact may be altered during the current free-trade negotiations between the two countries, **Robert Gibbens reports.**

A senior official in Ottawa said he hoped a proposed automative policy document would be ready by mid-May for a ministerial review by early June. He said the document may set the stage for changes to the car pact which is now more than 20 years old.

Japan agrees Y9bn line of credit to Algeria

BY FRANCIS GHILES

JAPAN has agreed its first general-purpose line of credit to Algeria, worth Y9bn (£38.6m). The Export Import Bank *of Japan will put up 60* per cent of the credit which will support the exports of small capital goods which Algerian importers had been paying for in cash.

This follows the agreement recently concluded in Paris whereby France will extend FFr 3.5bn (£351m) worth of credits to Algeria, FFr 3bn of which are guaranteed by Coface, the state export guarantee organisation.

The remainder will be provided by the Caisse Centrale de Co-operation Economique and is believed to carry a rate of interest of 6 per cent over 15 years.

This latter tranche will help release funds held by former French residents in Algeria in bank accounts, and allow for same people to remit funds from the sale of properties they still hold in the country.

Taiwan in drive to boost investment

By Robert King in Taipei

TAIWAN has enlisted Dr An Wang, chairman of Wang Laboratories of the US, in a major drive to promote Taiwanese investment abroad.

Dr Wang has announced the formation of a $500m (£132m) multi-purpose fund, called the Golden Gate Development and Investment Fund, in which Taipei will take a 30 per cent share and Wang Laboratories another 10 per cent.

Both the government and Dr Wang will then try to persuade Taiwan's private sector to put up the remaining $300m.

The fund is aimed at helping Taiwanese companies invest in overseas ventures, especially in the US, thus enabling them to develop new products, expand their market shares abroad, and help in the transfer of new technology. It will also help foreign suppliers to sell and distribute their products and services in the Far East.

The fund also has a political focus in that Taiwan sees the fund as underscoring its commitment to investment in, and its continued economic co-operation with, the US, its major trading partner.

Ties between the two nations have become increasingly srtained as Taiwan's trade surplus with the US continues to climb. In the past 12 months, two major trade disputes have erupted between the two, and a third may have been narrowly avoided last month with the announcement by Taiwan of major trade concessions, including unprecedented tariff cuts.

Dr Wang said the proposed fund has received the support of Mr James Baker the US Treasury Secretary and Mr Clayton Yeutter the Trade Representative.

Sony to set up $16m plant in Penang

By Wong Sulong in Kuala Lumpur

SONY Corporation of Japan is to set up a $16m (£10m) plant in Malaysia to manufacture compace disc players, radios, cassette players, car stereos and stereo headphones for export.

The plant will occupy 3.3 acres, but Sony's local subsidiary has been allocated a 25-acre site for expansion. The plant will open early next year, and export mainly to Europe and the US.

EC lags in bid to remove trade barriers, **William Dawkins writes**

Tangled path to internal market

WRANGLES over narrow national interests between Ministers from different EC member-states are seriously delaying progress towards the creation of a genuinely free common European market.

That is the main conclusion of a gloomy report today by the European Commission on why the EC is 72 pieces of legislation behind schedule in its campaign to remove 300 barriers to free trade by 1992.

There is no shortage of political will to scrap these often sensitive trade restrictions, yet "when it comes to the practical detail of individual proposals, too often the vision is lost and national and sectoral interests take over," warns the report by Lord Cockfield, the British Commissioner responsible for the internal market.

"What is at present a serious but retrievable situation . . . will get worse," unless Heads of State and Government force their Ministers to abide by an accord between national leaders at the Milan Summit nearly two years ago to stick to the Commission's internal market programme.

The Commission pins nearly all the blame for the delay on the Council of Ministers, the decision-making body of 12 member-states which sanctions EC legislation. So far, the Council has adopted just 57 of the 300 proposals contained in the Commission's white paper for action on the internal market.

Another 112 proposals are stuck in the Council machinery, of which 72 should have been adopted last year—and are still blocked today—to keep the campaign on target for the 1992 deadline. This means that the Council is even more behind schedule than this time last year, the report says.

The Commission does concede that a rolling work programme organised by member-states has brought an improvement in some areas, but overall, the Council has failed "to instil a new and necessary sense of urgency."

Another key to the failure to make progress has been the political delays encountered by the Single European Act, which could speed up the pace of business by introducing more majority voting.

This was to have been ratified at the turn of the year, but is now awaiting an Irish referendum later this month.

However, the Commission also criticises Ministers and their officials for failing to do more to adjust to the Act's new rules in advance.

This has meant that some important internal market proposals, like a scheme for a streamlined new approach to setting food standards, are being held up by procedural quibbling that has nothing to do with their real merits.

The Commission, while not entirely blameless for the delays, has so far tabled 170 proposals from its internal market white paper out of the 200 it had hoped to have produced by now.

That represents nearly 60 per cent of the programme and does not include another 20 internal market points to have emerged from Brussels outside the scope of the white paper.

Lord Cockfield

Nearly half the Commission's own backlog is to do with opening up agricultural markets, a delay which it attributes to staff shortages. However, the Commission has also been notably slow in coming out with what are likely to be controversial but far-reaching proposals for harmonising VAT rates between member-states. These will be submitted shortly, says the document.

On the Council side, the report pinpoints agriculture and Finance Ministers for being the most "obstructive." No proposals have been adopted in the past year in the "vitally important" foodstuffs sector and only two fiscal harmonisation directives of limited scope have got through Finance Ministers. "A major change in outlook" is need if they are to achieve their part of the programme in time, says the report.

Trade Ministers also come under fire for failing to make headway on what the Commission feels should be uncontroversial proposals for removing barriers to the freedom of individuals to live and work throughout the EC.

One scheme for removing frontier controls between member states has been so eroded by two years' debate in the council, that even if what was left of the Commission's ideas were adopted now, the result would make no difference to existing border checks, the report adds.

Lord Cockfield is, however, pleased with progress on technical standards, where the Council adopted at the end of last year a package of five proposals setting common rules for the development and marketing of pharmaceuticals — a "major step."

But the Commission adds that CEN and CENELEC, the European industrial standards bodies, are finding it increasingly difficult to cope with their workload and might need extra funding soon.

Other areas of progress highlighted by the report include public supplies purchasing, where Ministers recently reached a joint position on a proposed directive a mere six months after it emerged from the Commission, and legislation to protect microcircuit design copyright, which passed through the Council in barely a year.

While encouraging, that does not detract from the report's overall conclusion that "once through this patch of choppy water, it is essential that the Council . . . significantly improve its performance."

India leads in diamond exports

BY R. C. MURTHY IN BOMBAY

INDIA HAS become the world's leading exporter of processed diamonds and gold jewellery, with shipments worth Rs 21.21bn (£1.1bn) in the year to March 1987.

Cut and polished diamonds and gold jewellery are now major export items for India, amounting to nearly a fifth of its total exports, says Mr Jatin Mehta, chairman of the Gem and Jewellery Export Promotion Council, representing some 900 diamond exporters.

Diamond exports, which doubled in five years to Rs14.9bn in 1985-86, jumped more than 40 per cent last year. At this rate, the target of Rs 45bn for 1989-90, the final year of India's seventh Five-Year Plan, should be reached without difficulty.

India imports almost its entire requirements of roughs from the London-based Diamond Trading Corporation, the marketing arm of De Beers. The roughs are cut and polished by 500,000 artisans in villages in the states of Gujarat and Rajasthan and Tamil Nadu in South India.

Factors contributing to the export surge last year were:

● Expansion of world market for fashion jewellery using low-value diamonds, in which India specialises;

● Supplies from Argyle Mines in Australia supplementing the flow of roughs from the *Diamond Trading Corporation;*

● Technical advances in the Indian diamond industry, improving the processing quality and enabling it to process large diamonds.

The US continued to be the *main market for Indian* diamonds but its share dropped last year to 44 per cent of India's total diamond exports, from 46 per cent the previous year.

India could not tap the growing market in Japan where the preference shifted to larger and quality diamonds which India could not supply.

Turkish order for Cockerill

COCKERILL Mechanical Industries (CMI), a 97.1 per cent engineering subsidiary of Cockerill Sambre, said it won an order worth BFr 960m (£14m) for boilers for a power station at Hamitabat in Turkey, **Reuter reports from Brussels.**

The order, for four waste-heat recovery boilers, is from a *consortium comprising* the Turkish construction company Enka Insaat Ve Sanayi and West Germany's Brown Boveri.

CMI said it would do all engineering work on heat recuperation. The capacity of the gas-fired station is being doubled to 1200 MW, making it the world's biggest combined-cycle power station, CMI said.

UK NEWS

June election mood swells in Westminster

BY PETER RIDDELL, POLITICAL EDITOR

CONSERVATIVE MPs' confidence about the outcome of the forthcoming general election was further boosted yesterday by a poll giving the party a large lead, of roughly the same size as at the start of the victorious 1983 campaign.

As MPs returned to Westminster from bank holiday weekend canvassing in their constituencies, there was a growing belief on all sides that there would be nothing in tomorrow's local election results to halt the bandwagon for a June election, probably on Thursday the 11th.

The expectation is that an announcement will be made next Monday morning after Mrs Margaret Thatcher, Prime Minister, sees the Queen after her summit with senior advisers on Sunday.

A Harris Research Centre survey for TV-am the independent breakfast channel, taken over the weekend puts the Tories at 44 per cent, against 30 per cent for Labour and 25 per cent for the SDP/Liberal Alliance.

This confirms the picture of all but one recent poll in putting the Tories comfortably above the 40 per cent level needed for a clear House of Commons majority.

The figures are broadly comparable with those at a similar period ahead of the 1983 election and allow the Tories a margin for some erosion of their vote during the campaign.

A separate question on voting intentions in the local elections, when the Tories normally perform less well than in parliamentary contests, puts them on 40 per cent, with Labour on 30 per cent and the Alliance 27 per cent.

Moreover, some 76 per cent of the sample believe the Tories are the most likely winners of the next election, up from 71 per cent a month ago.

Mrs Thatcher met senior ministers for an hour yesterday to discuss campaign strategy. A draft of the Tory manifesto is circulating in Whitehall after being prepared by a group including Lord Young, the


Mrs Margaret Thatcher

Employment Secretary, Mr Stephen Sherbourne, Mrs Thatcher's political adviser, Professor Brian Griffiths and Mr John O'Sullivan of the Downing Street Policy Unit and Mr Robin Harris of the Conservative Research Department.

The pre-election atmosphere was stoked up at Prime Minister's questions and was reflected in the unusual speed with which the Commons, and in particular the committee on the Finance Bill, dealt with its heavy load of business.

At Prime Minister's questions Mr David Steel, the Liberal leader, commented on the series of favourable announcements made in the past two weeks. These include the abandonment of the four possible nuclear waste sites, the implementation of the nurses' pay award in full, the announcement of 82 new road schemes and, yesterday, the reversal of plans to close a large number of rural schools.

A statement is also expected on government support for British Aerospace involvement in the next stages of the European Airbus project.

OBITUARY

Sir Hugh Fraser

SIR HUGH FRASER, former chairman of the House of Fraser stores group, who died yesterday aged 50 at his Scottish home, was one of the more colourful British business tycoons of recent years.

Not only did he play a leading part in the spectacular boardroom wrangles at the House of Fraser in the early 1980s, when Lonrho was bidding for control of the stores chain which includes Harrods, but he also had a well-publicised flambuoyant personal lifestyle.

Sir Hugh, who disclaimed his father's peerage, had inherited the leadership of two major Scottish companies – the Scottish and Universal Investment groups (SUITS) and House of Fraser in his early 30s.

Eventually, however, both these companies were to lead him into bitter boardroom and public battles for ownership involving (sometimes on the same side and sometimes in opposition) Mr Roland "Tiny" Rowland's Lonhro group.

Lonhro gained control of SUITS in the late 1970s, by buying the Fraser family stake, and then switched attention to acquiring the House of Fraser operation and especially Harrods, the jewel in its crown.

Although Sir Hugh initially opposed Lonrho's takeover attempts, he switched sides in early 1981 and supported a Lonrho bid. It was a move which cost him the chairmanship of House of Fraser, and eventually removed him as one of the key players in the department store saga which eventually was acquired by the Al-Fayed family for £615m in 1985.

Following the House of Fraser storms, Sir Hugh settled down into a relatively quiet business life, as well as concentrating on his charitable work through the Fraser foundation.

In his private life Sir Hugh frequently appeared in the gossip columns for being a colourful winner and loser at the gambling tables.

Tributes from the business world yesterday included one from Mr John Davidson, Director of the Scottish CBI. He described Sir Hugh as, "a leading figure in the British retailing scene."

Compact disc makers plan 50% output rise to satisfy demand

BY DAVID THOMAS

UK MAKERS of compact discs are planning to increase their capacity by more than a half this year in response to spiralling demand.

By the end of the year, the four manufacturers in the UK intend to have capacity to produce more than 70m compact discs a year – many of them for export – compared with present annual capacity of about 46m.

The four are EMI Records, part of Thorn EMI of the UK, with a plant in Swindon, Wiltshire; Philips Du Pont Optical, the Dutch-US joint venture at Blackburn, Lancashire; Disctec, a private UK company based in Horsham, Sussex; and Nimbus Records, a private UK company based at Gwent, South Wales.

Demand for compact discs is now taking off in the US and most of the main European countries. UK sales are expected to be almost 20m this year – more than twice the 8.4m units sold in 1988 – according to the Britisch Phonographic Industry, the music industry trade association.

EMI Records is spending about £6m this year to increase capacity of its Swindon plant from 6m discs to about 15m.

Mr Richard Burkett, the company's managing director of operations, said: "We are doing this approximately nine to 12 months earlier than anticipated because CD sales are going much better than anyone had imagined."

Philips Du Pont Optical intends to expand the capacity of its plant from about 10m discs now to about 20m by the end of the year.

Mr Cor Coenraads, business planning manager for the joint venture, said this would require extra investment, although he would not specify how much.

Disctec is spending £3m to double the annual capacity of its plant by the end of August from just under 5m discs to just under 10m.

Nimbus Records, the largest maker of compact discs in the UK, is planning to increase capacity of its two Gwent plants from 25m at present to 28m over the next few months.

Two of the UK-based companies are also building plants in the US to supply the North American market: Emi's Illinois plant will be able to make 15m discs a year and Nimbus' Virginia plant will have an annual capacity of 10m discs.

Jobs saved at Lucas factory

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LUCAS ELECTRICAL, the loss-making motor components subsidiary of Lucas Industries, has found an alternative use for its South Wales car instrument factory which will save the 700 existing jobs.

Another Lucas division, Rists, has come to the rescue of the plant, threatened with closure following the loss of its major customer, state-owned Austin-Rover.

Rists is short of capacity to produce automotive wiring harnesses and, jointly with Lucas Electrical, will gradually move some production to the South Wales factory. It is the biggest UK supplier of automative wiring harnesses.

The arrangement depends on Lucas winning Government aid with the capital investment required, but Lucas said yesterday the prospects of the money being made available were "reasonably good".

The South Wales factory was at the heart of a venture launched in 1983 by Lucas Electrical, with Smith Industries, to form a company to seek expansion in world markets by providing a full range of electronic instrumentation systems for cars.

The aim was to join Lucas's strength in ignition and engine management with those of Smiths in instrumentation and display.

UK NEWS

N. Ireland's electricity chiefs may resign

BY MAURICE SAMUELSON

THE HEAD of Northern Ireland's electricity service (NIE) said in London yesterday that he and his fellow directors would consider resigning, rather than buy electricity from a new private power station if they thought the price was not right.

The threat, by Dr Roelof Schierbeek, NIE's chairman, will heighten controversy in Westminster and Belfast over proposals to let private industry operate as well as constructing a £500m power station fuelled by the province's big deposits of cheap lignite, or low calorific coal.

Under a draft order in council, currently before the Houses of Parliament, ministers would be empowered to instruct NIE to purchase the privately generated electricity even if the NIE was unhappy about doing so.

The NIE, which is pressing for a delay of 18 to 24 months by ministers on the lignite scheme, says that the next slice of new generating capacity should be fuelled by conventional coal and that NIE should be in charge of the lignite plant once it was built.

Dr Schierbeek told a press conference that his "whole board is united" in its concern at the implications of the enabling powers being taken by the Government.

He insisted that he did not oppose privatisation as such, but, since the NIE had been created out of three regional power boards only 15 years ago, it would be a retrograde step to break up the industry again.

The NIE, he added, was also "definitely not against lignite," which, together with coal and oil, would be a major factor in ensuring flexibility of fuel supply by the end of the century. It also denied lining-up with the power worker unions, which have strongly attacked the private lignite plan as a possible test-bed for privatising electricity elsewhere in the UK.

So far, however, the NIE claims that not enough is known about the price at which the lignite would be mined to justify an immediate decision to exploit it.

Date set for £1bn loan stock auction

By Janet Bush

THE FIRST experimental auction of UK Government bonds will take place on May 13 and will consist of £1bn of 8 per cent Treasury loan stock maturing in 1992, the Bank of England announced yesterday.

The issue will be partly paid with a call for 50 per cent on June 29. The amount payable at auction will depend on the prices bid. The auction will be held on a bid price basis in which successful bidders are allotted stock at the price at which they bid. There is, however, a provision for small, private investors to put in non-competitive bids.

The Bank of England has said that the decision to hold further auctions of medium and long-dated gilts will be taken after the first sale is completed and the authorities have a chance to judge whether or not it has been a success.

The only surprise contained in yesterday's announcement was the size of the issue which was smaller than the market had been expecting. The Bank of England said last month that its auction of short-dated stock would be up to £1.25bn in size.

The stock is expected to find demand from overseas investors.

Domestic investors are also likely to show interest in the issue at a time when short-dated gilts are outperforming other areas of the market due to speculation of further cuts in base lending rates.

Quality spur for Komatsu workers

BY JOHN CAPPER, LABOUR STAFF

EMPLOYEES of Komatsu, the Japanese construction company, are to be awarded individual salary increases of up to 6 per cent on top of a basic pay rise of 5 per cent this year under a newly-introduced performance assessment scheme.

The scheme is aimed at encouraging improvements in the quality of work of the 170 employees at the company's plant in Birtley, near Newcastle upon Tyne, by relating an individual's total annual pay increase to a review of his achievements.

The scheme, one of only a few of its type in the UK, is among a series of innovative practices introduced at Birtley by Komatsu since the company signed a single-union agreement there with the Amalgamated Engineers Union last year.

The review, carried out by the employee's supervisor, is based on an assessment of his work based on 18 measures, including reliability, adaptability to change, determination, team work and performance beyond the contract. The review process is intended to measure quality of work rather than speed of output.

Managers and supervisors who devised the process in workshop sessions in February and March suggested that assessments should be carried out every three months, but the company has decided to reduce them to one a year.

Dr Clive Morton, director of personnel at Birtley, said it would be only be in "very rare" cases that the full 6 per cent rise would be given.

Cheaper Transit from Ford

By Kenneth Gooding, Motor Industry Correspondent

FORD IS launching cut-price versions of its long wheelbase Transit vans. Each of the new versions, using the popular name, cost about £800 less before VAT than the previous bottom-of-the-range long wheelbase Transit L vans.

The company said yesterday that it was responding to market demand by introducing the new versions and this was possible because production of the Transit – Britain's best-selling commercial vehicle – at the Southampton plant was running smoothly at close to the annual 46,000 capacity.

To keep the price down compared with the L models, the Popular long wheelbase Transits do without a side-loading door and a radio, have only two vinyl-covered seats instead of three covered in cloth and a four-speed gearbox instead of the five speed which is standard in the L.

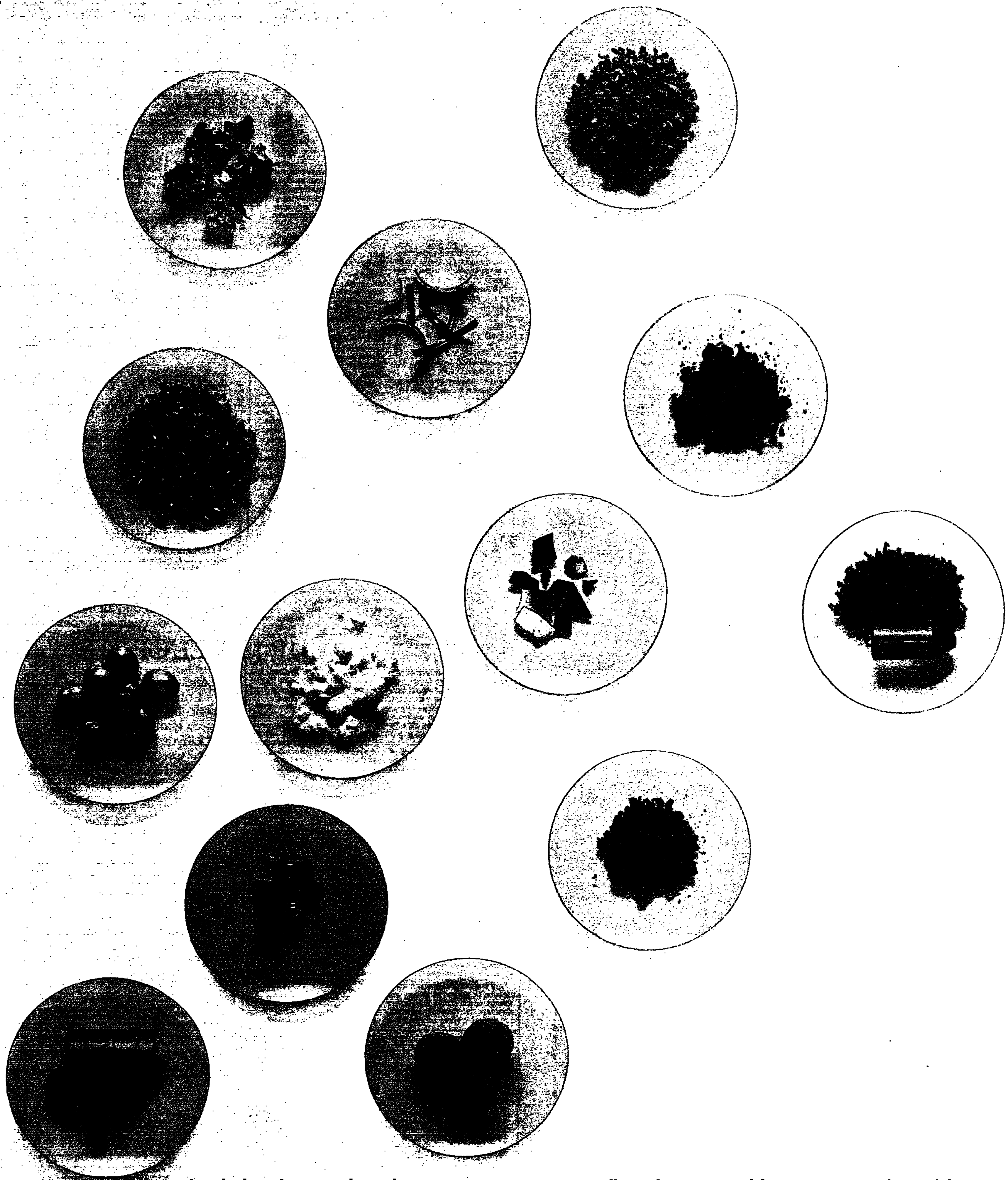
The low-cost Polular derivatives of the Transit are available on all regular production versions of the long wheelbase vans and chassis cabs with a choice of either Ford's 2-litre petrol or 2.5-litre direct-injection diesel engine.

Since its introduction in early 1986, more than 45,000 new Transits have been sold in the UK. Popular versions of the short wheelbase models have been available almost since the launch.

Ford has also added to the attractions of the Transit range with a low-priced special edition of the short wheelbase Transit 80 van which is to be called the Transit Bonus.

Elsewhere in its van range, the company is offering popular versions of the Escort 55 car-derived van and the Escort Combi.

ARE THESE CHEMICALS ALL WE BOIL DOWN TO?



Though the substances shown here constitute the human body, nothing could be further from a living, breathing, vibrant human being. So, if this is all that someone saw in you, wouldn't you be a trifle upset?

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Terry Dodsworth considers Plessey's optimism as its semiconductor plant opens

A gamble in the chip market

SEMICONDUCTOR manufacturing has proved an unforgiving business over the past few years. Virtually every company in the sector has struggled to make money since the market went into sharp recession in 1985, and many have lost sizable amounts.

But at Plessey Semiconductors, *the chip manufacturing division of* the UK electronics group, it is almost as though these tales of tribulation and woe were occurring on another planet.

Plessey has backed its optimism by building a new £33m plant and bringing it on stream at a time when a significant amount of capacity, *much of it laid down in the last* dizzy upswing in the semiconductor cycle, is lying in mothballs.

The new unit officially opened yesterday and supported by about £7m of Government money, is a showpiece, situated on the edge of rolling countryside at Roborough, near Plymouth on the south coast of England. *Like all* semiconductor plants, it hardly looks like a factory. It has the clinical atmosphere of a research laboratory or an up-market hospital; and the sheer, meticulous detail of the construction, with its attention to hyper-cleanliness and complex automation, hammers home the message of how hard it is to sustain the pace in this industry.

The heavy investment required for semiconductor production goes largely into techniques for providing as stable a working environment as possible for the processing of the chips.

There is a kind of paradox here: *as the chips become smaller, driven* by the demands of the electronics industry for increasingly miniature devices, the manufacturing processes around them looms larger.

The air being pumped into the production zone has to become cleaner; the water has to be made purer; the machines driving all these processes have to be increasingly insulated from vibration; and *the people inside have to be reduced to a minimum.*

The heavy emphasis on cleanliness and stability in the production processes comes form the nature of the chips being produced. The advances integrated circuits made by companies such as Plessey owe their marketability to the amount *of functions that can be jammed on* to one component.

To achieve this, the electrical circuits that are etched into the silicon from which the chips are made have to become narrower and narrower. Particles of dust landing on the silicon can destroy this delicate geometry; vibration can do the same.

To overcome these problems, Roborough's production facilities are mounted in a kind of concrete box in the middle of the plant – 22,600 sq ft in the middle of 80,000 sq ft. The concrete floor of this structure is 5 ft thick and mounted on a forest of 90 concrete shafts.

Below, *a cavernous* cellar contains most of the services which keep the furnaces and the etching processes going: giant fans which change the air every 6 seconds, elaborate water purification units, and atmospheric controls which maintain temperature and relative humidity within extremely tight tolerances.

To make money out of this investment, Plessey has a strategy which is simple to state, but difficult to execute. It is aiming to use the facility to maintain an edge in the high value-added portion of the semiconductor market, making specialised products which can command a premium price, and which are less susceptible to the violent swings in demand which characterise the chip industry.

Over the past few years, Plessey has made this strategy work by plugging into the big growth market in semiconductors; the production of Application Specific Integrated Circuits (ASIC).

These are chips which are tailor-made for a particular function and, therefore, have some special features which make them unique products for the client; but they can largely be put together using standard processes, thus reducing costs to the manufacturer.

Plessey has expanded, using this approach, from sales of about £40m in 1981 to £70m. It has also managed to make profits in the division since 1982, although these have not been at as high a rate on sales as achieved in the rest of the group; and it has now expanded its technology base to encompass the Complementary Metal Oxide Silicon (CMOS) process of fabricating chips, which has been the most dynamic growth area in the 1980s.

But the development of Roborough nevertheless poses some questions:

● Can this division continue to expand as fast as it has since 1980? *Plessey is planning* to jump to sales of between £300m and £350m over the next five years, a target which looks much harder to achieve than its growth in the past five years, simply because it is much bigger.

● Will the ASIC market prove as dynamic for the company as in the past? Industry forecasts suggest that this sector will continue to grow rapidly by up to 40 per cent a year *but it will also become* crowded. Plessey will begin to face more competition from some big players in the industry.

● Can the company keep its technology up to the standards of the industry leaders? *The high rate of ex*penditure demanded for both research and investment has led to a spate of amalgamations in the industry recently, and may give advantages to groups larger than Plessey with more resources to put into the development of new processes.

● Has Plessey *sufficient size* to finance the internationalisation of *the division? The group* is already a big exporter – about 70 per cent of its products go overseas – and has some offshore design facilities. However, semiconductor manufacturing is the most international of all industries, and Plessey faces many bigger companies already deeply implanted overseas.

The rewards for achieving the planned expansion on target, however, could be substantial. The chip division, for one thing, could provide a significant profits stream to add to the defence electronics and telecommunications businesses on which Plessey mainly depends at present.

The company argues that it can defray the high cost of expansion more easily than commodity chip manufacturers, maintaining premium price levels by exploiting the demand for constant innovation in the ASIC market.

In addition, the semiconductor business could well be significant in maintaining the competitiveness of the remainder of the group.

It is a specialist in products for the communications industry developing, for example, many of the integrated circuits for the System X digital telephone exchange, and its *products* helped Plessey win a big role in the Boeing AWAC airborn early warning radar contract.

In the new generation of radars, Plessey's expertise in gallium arsenide chips, which work faster than silicon, will be a key factor.

Whether these prospects will outweigh City of London anxieties over the slackening of UK defence spending, and the dubious prospects for System X sales overseas, is one of the questions overhanging the Plessey share price at present.

However, some analysts believe that the semiconductor expansion is a gamble that will pay off, helping the group break out of its three-year profits plateau.

Government to fund test of Basque-style worker co-operatives

BY IAN HAMILTON FAZEY

THE GOVERNMENT is to put £200,000 into an experimental scheme to encourage more worker co-operatives along the lines of those at Mondragon in the Spanish Basque country.

The experiment will be conducted in Middlesbrough in the North East of England, where unemployment is at 20 per cent. The area was chosen for its strong sense of community – one of the factors that is believed to have contributed greatly to Mondragon's success.

The money will fund an office run by specialists who will promote expansion of existing co-operatives, seek markets for new ones, encourage employees to take over failing businesses, and promote share ownership by workers in what are known as equity participation co-operatives.

The grant is being given through the Government's North Central Middlesbrough Task Force to the Co-operative Development Agency (CDA). The task force co-ordinates the work of several government departments in the area – environment, trade and industry, employment and the Manpower Services Commission, which administers the Government's employment programmes.

The project's significance can be measured from the fact that the grant doubles the money the Government is giving to the CDA this year. It also signals that the Government has no ideological objection to co-operatives, public support for which in the past has usually been more associated with Labour local authorities and trades unions.

The scheme will be launched by Mr Kenneth Clarke, the Paymaster General, on May 19. Mr Clarke visited Mondragon six months ago, accompanied by a CDA team. In the past 30 years the tightly-knit Basque community there has developed a complex of high technology and export-oriented co-operatives which now employ nearly 20,000 people.

Seven years ago there were only 300 co-operatives in Britain, a figure which had risen to 1,500 by August last year. However, this growth has to be set against a total number of small businesses of about 1.5m. Most new businesses adopt the legal status of sole trader, partnership or limited company, rather than form a co-op.

Most British co-operatives are small, rarely employing more than nine people.

N. Ireland jobs boost

BY OUR BELFAST CORRESPONDENT

GOVERNMENT assistance to the small business sector in Northern Ireland last year promoted over 4,500 jobs, according to the Local Enterprise Development Unit, the province's small companies agency.

The total, up 3.7 per cent on 1985/86, was another record year for the agency, which was established in 1981.

Financial assistance to aid the start-up of new companies, or the expansion of existing ones, amounted to £22m. The cost per job was £4,962 in manufacturing industry, £3,881 in the service sector.

The proportion of jobs promoted which eventually become real jobs is running at 69 per cent, but the agency aims for a 75 per cent rate within two years.

The past year was the first in a three-year programme under which the agency's resources are being concentrated on the stimulation of more employment from the existing stock of small companies.

Britain urged to back EC research budget

BY GUY DE JONQUIERES

THE BRITISH Government's single-handed opposition to the EC's planned research budget is sharply challenged in a study sponsored by *the Royal Institute of In*ternational Affairs, which urges the UK to throw its wholehearted support behind European technological collaboration.

The study, which was partly financed by the Foreign Office, says Britain's position in advanced technologies is among the weakest in Europe, and that it stands to gain by participating fully in collaborative exercises such as the EC's Esprit and the wider Eureka programme.

The UK Government is still resisting EC plans to spend Ecu 5.4bn on research and development (R & D) *over the next five years.* It argues that the research programmes are poorly managed and that the Community needs to take a tighter grip over spending generally.

However, the study says: "Decisions about European initiatives for R & D should be taken on their own merit and not be subordinated to the long-running problems of agricultural expenditure, nor in the UK to the short-sighted insistence on domestic cash ceilings."

The study finds that the main advantage of government-backed collaboration is as an "insurance policy" against the threat of technological domination by US and Japanese companies and subordination to policies of "strategic economic nationalism" being pursued by their respective governments.

"If these two countries can act on occasion in support of narrow self-interest, so too should Europe. One advantage of 'contrived collaboration' is that it offers an element of protection which would be available to be traded away against tangible concessions," it says.

If Europe were to adopt a totally *free-market approach, removing si*multaneously internal and external barriers to trade, many of its high-technology companies would be unable to face the competition. "The danger is then, that given this weakness, US and Japanese companies would fall upon the market and divide it among themselves."

Economically and commercially, government-subsidised collaboration between companies in different countries is a "second-best" solution to Europe's competitive weaknesses in electronics and information technology. The ideal would be an open internal market, in which companies would be free to carry out cross-border mergers, according to the study.

"It is politics rather than economics that prevents this solution," it says. "Just as in aerospace, governments are not, when it comes to it, willing to sacrifice national champions in their hi-tech industries, and therefore not really prepared to indulge in the market free-for-all this would imply."

Collaboration was, none the less, a useful compromise which had alerted European high-technology companies to the advantages of a more open internal market and was creating an industrial constituency which had experienced the benefits of working and thinking at a European level.

The longer-term aim must remain the creation of a single European market, the study says.

European Technological Collaboration, by Margaret Sharp and Claire Shearman. Chatham House Paper No 36; published by Routledge and Kegan Paul. £ 5.95.

UK NEWS

Whitehall's men lured away by private money

Hazel Duffy looks at the poor pay and prospects of Britain's civil servants

CIVIL SERVANT, Mr Zaki Douek, has left the Department of Transport for the private sector for 'better prospects, better pay.' A few weeks ago, he was managing the privatisation of the National Bus Company. Now he is working for another former civil servant, Mr Michael Casey, who set up a public affairs consultancy that is now part of the Saatchi group.

Mr Douek's knowledge of the government machine and his negotiating experience will be vital in his new job. Many other former civil servants, working in the City of London in particular, have found employers who value their Whitehall experience. Many more, still in the civil service, are looking for ways out.

New arrangements to give some civil servants more money, in addition to the civil service pay award, were given by Mrs Margaret Thatcher, the Prime Minister on April 23. They are partly the result of pressure from the Cabinet Office (responsible for civil service personnel management) on the Treasury.

But, initially, there is scepticism that the aim will succeed. "In relation to the virtually automatic 50 per cent increase in salaries that they can get outside, the amounts of money that the Government is talking about seem to be much too small," says one senior civil servant.

From October 1, discretionary increments for staff in the two grades immediately below Permanent Secretary will become operational, following recommendations last year by the Top Salaries Review Body.

From that date, the top salary for Grade 2, taking into account the increase for this year, will be £45,500. Civil servants will be eligible for three incremental bands, to be awarded on performance criteria, which could take them to a maximum of £54,000. Grade 3 civil servants, whose maximum is £36,000, could go up to £43,000.

Assessment of the individual's performance will be strict, in accordance with agreed guidelines. Sceptics say that having qualified for the first increment, it will be virtually impossible to get another.

A new performance—related scheme for Grades 4 to 7 is also to be drawn up. These are grades where morale is described as "pretty low." The Government has said that the scheme will take into account experience with the performance bonus experiment: an experiment deemed largely by those involved as divisive and inadequate.

Pay is one factor. Prospects, or lack of them, are just as important. Cuts in the upper reaches have been proportionately as swathing as in the rest of the Civil Service. That means fewer promotion prospects, and longer waits for the next.

In addition, in departments such as transport, energy and industry, where the privatisation programme has taken away chunks of responsibility, there really is not very much to do, particularly for those who have been in policy areas.

Privatisation has also proved a channel for outside jobs. Several senior civil servants have come into contact with the City of London in this way, and been offered jobs. Others have taken high level jobs in the very industries that they helped to privatise.

None of this seems to be having much effect on recruitment. The Civil Service Commission, which recruits senior and professional civil servants, seemed well satisfied with the numbers coming forward in 1986 for the competitive fast-stream entry.

Changes in Whitehall would seem to be in the offing whatever the outcome of the general election. Mrs Thatcher is expected to merge some departments.

Civil servants, however, expect more cuts in senior posts, whatever re-organisation is pending in Whitehall. If that turns out to be the case, it would be more critical, even than pay, to the moral factor.

Former BBC chief puzzled over reason for sacking

BY RAYMOND SNODDY

MORE THAN three months after being fired as director general of the BBC, Mr Alasdair Milne said yesterday that he was no longer bitter about how he had been treated but was still "bloody angry."

Mr Milne was talking publicly for the first time since leaving the BBC of his more than four years as director general and of how it ended so abruptly.

He confirmed that he had written the statement that he was resigning "for personal reasons" after being asked for his immediate resignation by Mr Marmaduke Hussey, chairman of the governors and Lord Barnett, his deputy.

Mr Alasdair Milne: not bitter but still angry

Mr Milne said yesterday he had been taken entirely by surprise when on the way to lunch he had been fired by Mr Hussey without warning.

"I cannot understand how they could have done it in the way they did. I expected nothing and I still have no idea why they did it," said Mr Milne.

"Reasonable people would have talked to me. All they said was that they wanted to make changes. It is a most bizarre thing to fire the director general of the BBC in such a way. But I am not bitter any more. I'm just bloody angry," the former director general said.

Mr Milne has begun work on a "frank" book on his years at the BBC, its governors, the corporation's relations with government and how he was fired from the top job in British broadcasting.

The book will be based on detailed daily diaries he began six months after becoming director general and which continued until January 29 this year, the day he left Broadcasting House for the last time.

He was speaking at his West London home just before going to Langham Place, opposite Broadcasting House, headquarters of the BBC, to read the lesson at the memorial service for one of his predecessors Sir Hugh Greene. Mr Hussey and Lord Barnett were also at that service.

Mr Milne believes that his years as director general coincided with an unprecedented period of difficulty for the BBC.

"I think certainly when I started I realised it was going to be tough," said Mr Milne. But the combination of financial problems, a Conservative Government not favourably disposed to the BBC, the apparent threat of the new technologies of cable and satellite and the virulence of what he sees as the press campaign against the BBC was worse than he had imagined.

"I expected the Murdoch (News International) papers would likely be hostile but I found the degree of that hostility surprising," he said.

"The Sun editorials always referred to 'the bloated BBC.' It was pretty incessant and so much of it was so lacking in veracity that it was very difficult to respond."

The former director general said that, with hindsight, some of his decisions on controversial subjects would probably have been different.

Mr Milne also expressed pleasure that Mr Michael Checkland, his deputy should now be director general. "I always hoped that Mike would succeed me when I left. I was very glad he got the job and rang and told him so on the night."

Men and Matters, Page 24

Ships transferred to Isle of Man register

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

OCEAN TRANSPORT and Trading, one of the oldest British shipping companies, is to transfer its fleet to the Isle of Man register.

The transfer will allow Ocean to make substantial savings., particularly through the use of crews supplied by Manx Ship Management, an Isle of Man crewing agency.

The Isle of Man shipping register is technically part of the British register and merchant ships registered in the island continue to fly the red ensign.

This has made the register increasingly attractive to British owners. More than 3m tonnes deadweight of shipping is now registered in the island, compared to less than 10m tonnes in the mainland.

Ocean confirmed the transfer after reaching agreement with the National Union of Seamen and Numast, the Merchant Navy officers' union.

Both unions have come to regard the Isle of Man as a preferable alternative to the established flag of convenience registers such as Liberia and Panama.

The Isle of Man authorities have gone out of their way to stress their commitment to stringent safety and operating standards.

Ocean owns seven ships, of which four operate in the UK-West Africa trade under the Elder Dempster name, and two in the round-the-world Barber Blue Sea consortium. The other ship, a liquid natural gas carrier, has been laid up since its launch 10 years ago because of lack of demand.

The group also operates five ships for other owners. The future of these ships was still under discussion yesterday, Ocean said.

Mr Ken Birch, managing director of Ocean Marine, the group's shipping and marine services division, said the transfer to the Isle of Man register was intended to save the jobs of as many as possible of the existing 400 seafarers.

Ocean has previously indicated that up to 60 could be made redundant.

TECHNOLOGY

A quicker route through the silicon jungle

Peter Marsh looks at a new plasma etching technique which offers clear cut advantages to semiconductor manufacturers

PICTURE a group of conservation-minded but highly vigorous explorers hacking their way through a forest with machettes. The greater their number, the more quickly they will proceed; the more energetic each person is, however, the likelier that their cutting will harm the forest's fragile ecosystem.

A similar trade-off between numbers and individual energies applies to a quite different set of activities, the channelling of ions (charged atoms) through layers of chemicals in a vital process for the world's $25bn-a-year semiconductor industry.

In this technique, called plasma etching, the ions cut away tiny trenches in layers on top of a silicon substrate. Typically, the ions come from highly reactive gases such as silicon tetrachloride. The trenches, which may be less than 1 micron (millionth of a metre) wide, are later filled in, to form the ultrafine network of circuits in the finished semiconductor.

To speed the etching process, chip engineers require as many ions as possible—but their individual energies must be kept low to create clean cuts which avoid damage to the sides of the trenches. The problem is becoming all the more serious as the dimensions of the trenches shrink in order to increase the density of circuits on the chips.

Semiconductor engineers are now examining a new approach to plasma etching which increases the numbers of ions, so producing a quicker process, but at the same time minimising individual ion energies to reduce the risk of sideways cutting into the trench walls.

The technique, called electron cyclotron resonance, appears to offer promise in speeding up production of the new forms of densely packed microchips now emerging from the research laboratories of leading semiconductor companies such as Intel and IBM of the US, and Fujitsu of Japan.

Plasma etching is an example of a seemingly esoteric area of science which has mushroomed into a big business. Annual sales of plasma etching machines have surged from virtually nothing a decade ago to about $400m today. Most of the leading suppliers of plasma etching systems are US companies. They include Applied Materials, Lam Research, Tegal (which is owned by Motorola) and Perkin Elmer.

In prospect is a speedier way to produce more densely packed microchips

The technical lead in electron cyclotron resonance, however, has so far come from outside the US. In the technique, ions are stimulated by a magnetic field and by microwave radiation to boost their numbers but in such a way that the energy of each particle is fairly low.

The process has been pioneered in Japan by companies including Nippon Telegraph and Telephone, Sumitomo and Anelva, and, in the UK, by Plasma Technology, part of the Oxford Instruments group. In Japan, Hitachi, Fujitsu and Toshiba are using electron cyclotron resonance machines while, in Britain, Southampton University has a Plasma Technology system for use in research.

The UK machines arose out of collaborative research under the Government's Alvey programme to promote advanced electronics technology. Besides Plasma Technology, which is based in Yatton, near Bristol, and Southampton University, *other groups involved in the* plasma venture included Ferranti, Plessey and the Defence Ministry's Royal Signals and Radar Establishment.

According to Mr Peter Osborne, senior principal engineer at Plessey Semiconductor, a leading UK chip maker, electron cyclotron resonance can increase by a factor of 10 the rate at which engineers can perform difficult etching steps in chip manufacturing. Mr Osborne expects the technique to become increasingly important over the next few years.

Mr Ian Burnett, sales and marketing director at Plasma Technology, says that systems based on the new technique should gradually replace the current generation of plasma-etching systems.

These machines, based on a principle called reactive-ion etching, achieve clean cuts by subjecting the ions to an electric field which pulls them through the chemical layers on top of a chip's silicon base. The field is highly directional. It ensures the ions cleave downwards through the layers rather than sideways, thus minimising harm to the trench walls.

The process, which in the past few years has superceded the original form of plasma etching which did not incorporate an electric field, is very slow. Wafers of semiconductors can be etched at the rate of only about five an hour.

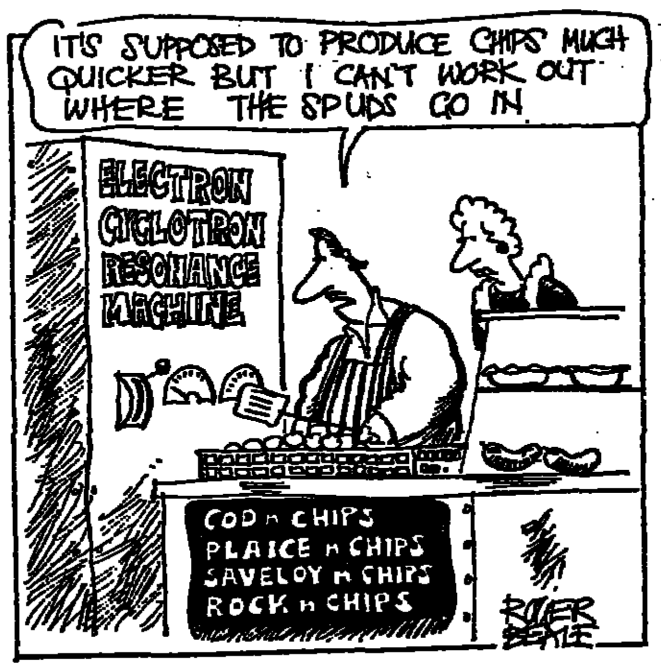
This characteristic of reactive ion etching, which makes the process unsuitable for processes in which engineers wish to combine a high rate of production with highly accurate cutting, follows from the machines' ion density having to be kept low. Increasing this to increase speed has the unwanted side effect of also raising individual energies, leading to trench damage.

For Oxford Instruments, the £9.1m purchase of Plasma Technology last September represented a strategic acquisition to boost the Oxford company's presence in semiconductor production equipment. Plasma Technology this year hopes to have sales of about £7m, two-thirds of which will be exports. Oxford Instruments' turnover for 1987 is expected to be roughly £100m.

Dr Peter Williams, chief executive of Oxford Instruments, says he wants to boost the activities of the group in chip manufacturing systems to complement the company's other activities in superconducting magnets, medical electronics and analytical instruments.

Plasma Technology specialises in plasma systems for chip production, both for etching and for the related area of depositing thin layers of chemicals to build up circuits on a silicon base. *Up to now the six-year-old* company has concentrated on systems for research laboratories.

It plans that the new range of electron cyclotron resonance machines, which will sell for £150,000 upwards, will spearhead a new thrust in sales of equipment for chip factories. Plasma Technology has especially high hopes from sales to the US, where the company has recently established a subsidiary and where it gains 30 per cent of its revenue.



WORTH WATCHING

Edited by Geoffrey Charlish

US thoughts on coal-fired turbines

GENERAL ELECTRIC of the US is to develop a gas turbine engine that burns coal instead of the relatively expensive conventional fuels, gas or oil. The five-year project will receive $15m from the US Department of Energy and GE will contribute a further $2m.

The fuel will consist of a slurry of finely-ground coal and water from Otisca Industries of New York. The machine will be based on a 5,000 horsepower design from the company's aircraft engine group.

Among the development tasks at GE's Schenectady research centre will be the design of nozzles for direct injection of the slurry fuel into the combustion chambers, the control of pollutants in the combustion gases and coping with the effect of the unburnable (non-carbon) constituents of coal. There are likely to be some problems with ash in terms of deposits, corrosion and erosion. Tests of the coal burning turbine are planned for 1991.

Studied view of visual inspection

BATTELLE EUROPE, the technology research group, recently undertook a multi-client study of automated visual inspection and is making the results available in a two-volume report of 1,150 pages. The techniques used, ranging from TV line-scan systems to laser scanners, are analysed. Nearly 600 systems are *identified*, 284 of them originating in the US, 231 in Europe and 54 in Japan. Existing applications and potential solutions to several industrial inspection problems are covered.

Irish pints come automatically

MURPHY BREWERY in Cork, Ireland, which became part of the Heineken group two years ago, has spent £7.5m on a modernisation programme in which automation supplier Allen-Bradley played a primary role.

The automation has produced some reduction in manpower and has allowed Murphy's to increase production by 50 per cent in 1986, compared with 1985.

Colour graphics workstations enable brewers to oversee the whole process from a central location and control it from keyboards. The workstations communicate with programmable controllers over a data network. The controllers determine how the brewing equipment operates in response to both operator commands and changes in such variables as temperature, pressure and flow, measured by sensors.

Five-way split to video conferencing

VIDEO CONFERENCING, the electronic equivalent to business travel, has moved on a little with the development by GEC Video Systems in the UK of a multipoint control unit, or MCU, which allows up to five sites to participate. Most conferencing to date has been between only two sites.

Video conferencing needs suitable wide-band (that is, high information capacity) connections between the sites. These are obtainable from local phone companies in some countries, and a number of large multinational companies already have them for data transmission. In a few years, ISDN (integrated services digital networks) will be available that will routinely allow video conferences and dialled video telephone calls.

GEC's device makes video conferencing more worthwhile, since executives from several sites are usually involved in most companies' *important meetings*. The MCU continually mixes the audio signals to all the participants at once, but the image of the speaker is sent to the other four locations while he sees the previous speaker on his screen.

Video conferencing is still expensive, but its proponents claim it to be cheaper than intensive travelling. The suspicion lurks, however, that many executives would rather make the trips.

Japanese expert on burning rubbish

IN JAPAN, Nippon Kokan (NKK) has developed an expert system that will support the operation of large-scale refuse incinerators. Expert systems use computers to deploy the knowledge and experience of a human expert.

The NKK system uses sensors to monitor the activity of the incineration process and draws on the human knowledge stored in its memory to keep the system running in the best way. Normally, for example, an operator assesses the volume and nature of the refuse fed *to the* burners and makes suitable adjustments. Now the sensor/expert system combination can do the job.

Dialling in to tyre pressures

THOSE WHO like to make a *proper check of their car's* tyre pressures in their own drive often use gauges in which a little rod shoots out of the gauge body and then has to be read, often with some difficulty. In addition, the user must remember what the front and back tyre pressures should be.

Now a £5.95 gauge from Kenrick Enterprises of Nottingham, UK, incorporates a clear dial round which small, peg indicators can be placed to show the two pressures (front and back). The gauge holds its reading when removed from the valve and has a small button that allows over-pressure in the tyre to *be reduced with the gauge* in place.

CONTACTS: GE USA: (518) 387 6284. Battelle Europe: London office: 493 0184. GEC Video Systems: UK, 0734 864490. Allen Bradley: UK office, 0908 71144. Kenrick Enterprises: UK, 0602 876831. NKK: Japan, Tokyo 212 7111.

The French tomato help-line

BY PETER MARSH

HELP MAY be at hand for tomato farmers in France who are worried about the variety of unpleasant diseases that can affect the crop. These people *will* shortly, so it is hoped, be able to dial up, over the telecommunications system, a computer which will advise them about what is wrong.

The technique has been developed by Cognitech, a computer engineering company in Paris which specialises in applications of artificial intelligence. Such work requires the development of sophisticated software that enables computers to mimic the thought processes of humans.

Aided by agricultural workers at France's National Institute for Agronomic Research, Cognitech has developed a computer system, called TOM, that can identify 60 diseases related to tomatoes.

Farmers communicate with the computer using Minitel, France's viewdata network that relies on the telephone system. TOM asks the farmer questions about symptoms, with the help of illustrations flashed on to the Minitel terminal using a video disc. After a dialogue with the user of some 20 questions and answers, the computer is able to give a diagnosis and explain what, if anything, the farmer can do to halt the spread of the disease.

According to Cognitech, which was formed in 1984 and is backed by FFr 30m (£3m) from investment groups including Paribas and Credit Lyonnais, TOM is still in the testing stage. It hopes the system will become fully available towards the end of this year. Later, similar technology could help with the identification of other diseases in agriculture, affecting, for example, fruit trees, carnations, potatoes and grapes.

Among other computerised advice systems on which the company is working is equipment which is intended to help with technical maintenance *in Paris's* underground railway. Cognitech is also working with Pechiney, the metals company, on a system that would help with the diagnosis of casting defects, and with Dassault the aerospace group, on similar equipment that promises to aid engineers in controlling the orbits of satellites.

Who really rules the roost in recruitment

BY MICHAEL DIXON

ANY READER who has been given the third degree in some job interview with a large-company personnel specialist should try to be forgiving. Personnel boffins have a hard time too, if we are to believe a research study by consultant David Collinson.

The bane of their lives, particularly if they concentrate on recruitment, is line managers. However punctiliously a biggish organisation's recruitment specialists try to tidy up its selection processes, excising subjectivity and imposing uniform procedures, line executives are apt to resist or subvert them.

Indeed the typical relationship between the two factions calls to mind the old type of grammar school with its constant struggle between prefects and fifth-formers. The only decisive difference is that the roughnecks of the line, while supremely fifth-form in their aversion to doing what they are told, are more often than not backed by the head.

"Within the conventional organisational pecking order, line managers are usually elevated in importance as the 'providers' and producers of wealth and profit," Mr Collinson writes in the latest Personnel Management magazine.

Although they may be outranked by the "human resources" supremos at company headquarters, their sharp-end operations are normally at too great a distance for the central chieftains to police them. The lower order personnel managers on the spot are prone to regard discretion as the better part of valour, not least because the line bosses tend to have a say in the specialist's promotion.

Sometimes they feel secure enough openly to debunk the central chiefs' efforts to make selection more professionally respectable and standard—as was demonstrated by two local branch heads of an insurance company whose headquarters had tried to introduce tests for selecting sales staff.

"One manager believed that the test would be no more effective than using the principles of astrology, while another remarked cynically: 'The people who sell these tests—I'd give them a job selling insurance!,'" the researcher reports.

"Their opposition was expressed in an indifferent attitude to administering the test, which thereby weakened its reliability. The corporate imposition of routine practices was therefore self-defeating."

More frequently, however, the line roughnecks rule by adroit political manoeuvrings. One dodge is evidently to insert allies with technical backgrounds into influential personnel jobs even though—or, rather, specifically because—they "have no allegiance to those principles and ideals of the personnel profession which may conflict with the more immediate preoccupation with short-term profit and production."

The kind of power position the roughnecks can achieve was exemplified in a big multinational electronics group where members of the personnel department were completely excluded from job interviewing.

Having established a key role in the recruiting process, the line executives may well usurp the spotlight by behaving like prima donnas. Those studied "often complained that too much of their time was taken up with interviewing—a job for which they were not employed. Consequently they had to be cajoled and sometimes even begged to conduct interviews."

Also consequently, job-seekers sometimes suffered. In one company on a single day "two serious procedural breakdowns occurred. One candidate who was 10 minutes late was left waiting at reception for over an hour because his interviewer had gone to lunch," David Collinson says. "Another interview had to be extended artificially by over 25 minutes because a second manager had failed to arrive."

Occasionally too, the line's addiction to subjective approaches to selection strayed into illegality. In some local branches of another insurance company "candidates were judged against a taken-for-granted, stereotoyped ideal recruit who was white, male, married (with children and a mortgage) and aged between 30 and 40. . . Yet the potentially unlawful nature of such practices was frequently disregarded not only by branch managers but also by corporate personnel managers, who often left the former 'to get away with whatever they can.'"

One reason for the specialist staff's faint-heartedness was voiced by a lower order personnel manager in a catering supplies group: "It's up to them who they choose. I don't want to push for someone they clearly don't want, because if something goes wrong they might want me to carry the can."

Which seems to confirm something I have always suspected about the unfortunate position personnel staff are usually accorded, at least in profit-dependent organisations.

Since line managers usually make the final decision on whom to appoint, they take the credit when recruits turn out to be good. By contrast, when they prove disastrous everybody blames the poor personnel managers.

In the circumstances it is perhaps not surprising that they seem less concerned to shortlist candidates whose practical experience best fits the job than those with impressive formal qualifications. Then, if the apointment goes haywire, the personnel specialist can say: "I'd challenge anybody to have foreseen that someone with a record like that could be such a wally."

Who's cooking?

"THE CLASSIC variety who ran around the kitchen screaming and throwing cleavers seem to have disappeared, thank the Lord," said headhunter Peter Hime of John Courtis and Partners. "We wouldn't want one of them at any price."

He was talking about the founding chef he is seeking for a new sumptuous restaurant due to open in London in the autumn. Being unable to name either it or the group of companies which is opening it, he promises to abide by any applicant's request not to be identified to the employer at this stage. The same goes for the other headhunter to be mentioned later.

Mr Hime has brought the job to this column because he thinks the kind of chef he is seeking is likely to read the FT or, even if not, to be on hob-nobbing terms with people who do. The reason is not just that you lot are reputed to be respectfully fond of your stomachs, but that the recruit will need to have certain managerial talents as well as a supreme gift for creating dishes.

"Practical planning skill is of the essence, since whoever gets the job will be involved in the design and setting up of the kitchen," I was told. "An impressive marketing flair and personal presence are crucial too, as is a professional's calmness. We want someone who when things are buzzing in the kitchen will be as cool as the proverbial cucumber."

Salary around £25,000, plus "handsome" profit share. Other benefits for negotiation.

Inquiries—or tip-offs, as distinct from tips—to Mr Hime at 104 Marylebone Lane, London W1M 5FU; telephone 01-486 6849.

Defence

RECRUITER Philip Egerton (13 Devonshire Place, London W1N 1PB; tel 01-486 4954) seeks a chief executive for a company with a £6m-plus turnover in electronic devices mainly for defence organisations, which is based on the central south coast of England.

Success in managing a profitable operation and developed skill in negotiating with big bureaucratic concerns are essential. Engineering background preferred. Salary indicator £35,000. Rest negotiable.

CAPITAL MARKETS

outstanding opportunities with a leading 'player'

Samuel Montagu is the merchant banking arm of Midland Montagu, which offers the full range of investment banking activities both in the UK and overseas. With the backing of Midland Bank plc, it has 3,000 employees worldwide, thus representing a major force in financial services.

Capital Markets is seen as a significant development area for the Group and we are now, as a result of further expansion, looking to strengthen our existing teams.

Working at either Assistant Manager or Executive level you will be actively involved in developing and promoting the full range of Capital Markets products in the highly competitive and complex environment of today's international marketplace.

The business development activity will focus on market and new product research; documentation work – particularly at the Executive level; and the preparation of proposals and client status reports. The more senior role will involve direct marketing activity as well as client portfolio management.

Educated to degree level or equivalent, you are likely to have at least 2 years' relevant capital markets experience – more for the senior position and certainly some exposure to marketing. In either case you should also be highly numerate and creative, with excellent interpersonal and analytical skills. Career development prospects are excellent.

The competitive remuneration package will reflect your experience and the level of appointment. Excellent benefits include mortgage subsidy, non-contributory pension scheme, and family medical care.

Please write with full details to: Carolyn J. Bland, Manager, Personnel, Midland Montagu, 10 Lower Thames Street, London EC3R 6AE.

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Managing Director
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The Managing Director will be responsible for the profitable operation of the two companies encompassing planning, marketing, funding and credit.

Suitable candidates will probably be aged 35-45 and a strong preference will be given to those having a degree or professional qualification. They will have experience in equipment leasing and most recently should have held a general management role. Evidence of administrative and organisational skills as well as a technical understanding of leasing services is a prerequisite. An attractive expatriate package will be offered including free furnished accommodation, motor car and driver, leave passage allowance and assistance with school fees.

Please send full curriculum vitae in first instance to:

Alan Hardy
CONCORD LEASING SERVICES LIMITED
25 Victoria Street, London SW11 0EX

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for major fund-raising programme

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The Directorship of the University Development Unit is a new post reflecting the University's intention to expand its fund-raising activities and to develop new strategies to increase its income from sources other than public funds.

The job calls for energy and initiative in finding new sources of funds and in establishing a framework within which fund-raising for the University can be carried out on a long-term and international basis. It also involves advising on and assisting with appeals for specific University purposes. It is desirable that candidates should have a record of successful fund-raising, but those with relevant alternative experience in education, commerce, or industry will also be considered. Of paramount importance will be enthusiasm, diplomacy, and aptitude for the job, coupled with a commitment to university education.

Further particulars may be obtained from the Registrary, University Registry, The Old Schools, Cambridge CB2 1TN, to whom applications should be sent by 22 May 1987. It is hoped that the person appointed will take up office by 1 October 1987 or as soon as possible thereafter.

Account Manager
Commodity and Trade Finance

Our client is one of the top international banks in the world, providing a broad range of wholesale and merchant banking services through an extensive network of branches. In line with the expanding needs of its customer base, the bank is looking for young marketing officers, with a few years' experience.

You could well be either with another bank, on the trade and commodity side, or with a leading trading house. This is a first class opportunity for an ambitious person, preferably educated to degree level, who feels ready for the challenge of a more demanding career.

Taking immediate responsibility for a portfolio of accounts, this position offers an ideal further step towards a full marketing role within a rapidly growing division. Whilst a sound knowledge of documentary matters and of current market practices are a pre-requisite, qualities of maturity and self-confidence will be just as important.

The overall remuneration terms are fully competitive and if you wish to broaden your career within a stimulating environment, then please contact **Fiona Collins** on 01-404 5751 or write to her in strictest confidence at Michael Page City, 39-41 Parker Street, London WC2B 5LH, quoting reference 3758.

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International Recruitment Consultants - London Brussels New York Paris Sydney
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DEALING

SENIOR SPOT DEALER
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Contact: Joanna Davies

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£22-30,000

Our client is one of the major, *elite names in international* corporate treasury advice. An opportunity now exists for an experienced young professional in this field to join the bank's team servicing a range of "blue chip" corporate clients. With 2-4 years experience as a Corporate Dealer in a busy dealing room, your sights will now be set on career development in a progressive environment.

Contact: Anita Harris

BULLION

Two major banks are each expanding their Bullion trading activities. One of these institutions is long established and prominent in this market, the other is virtually a start-up situation. Opportunities exist at both senior and junior levels — contact us, therefore, if you are a senior and ambitious Bullion. Trader aged 25-35; alternatively, if you are a high calibre Foreign exchange Dealer interested in switching your career into this market with a major name.

Contact: Loretta Quigley

Telephone: 01-606 1706

Anderson, Squires Ltd.,
Financial Recruitment Specialists,
127 Cheapside, London EC2V 6BU

Anderson, Squires

UK Corporate Lending

We are seeking to strengthen our Lending Division with the recruitment of three more Account Officers and one Credit Analyst as detailed below:

Two Marketing Officers
(Assistant Manager Level)

Candidates aged 30-35 will have at least 5 years relevant experience in marketing medium-sized UK corporates. Specific training and experience in credit analysis and finance of Foreign Trade would be an advantage.

Assistant Marketing Officer

Candidates aged 25-30 will have at least 3 years credit analysis experience with a clearing bank or international bank. Some marketing experience would also be desirable.

Successful candidates will take over some existing accounts but more important will be responsible for the development of new business in the small to medium UK Corporate Sector.

Credit Analyst

Candidates aged 23-28 will have at least 2 years experience of both companies and banks. Particular knowledge of UK Balance Sheets and evidence of formal credit training would be a distinct advantage. Good communications skills and a willingness to work in a team environment are essential.

Salary will be negotiable according to age and experience. In addition, we offer a range of benefits which include mortgage subsidy, pension and life assurance and private medical cover.

Please write in confidence with full career details to:

Linda Cobbold, Manager – Personnel
Royal Trust Bank
48-50 Cannon Street, London EC4N 6LD

ROYAL TRUST
Royal Trust Bank

SHIRE TRUST
CORPORATE FINANCE DIRECTOR

Shire Trust was set up one year ago to bring high quality merchant banking services to medium sized companies. We specialise in both corporate finance and corporate banking and are a Licensed Dealer in Securities and a Licensed Deposit Taker.

Over the last year the growth in corporate finance business has reached the stage where we require another highly experienced corporate finance professional. This is an exciting opportunity for him/her to develop a career in a small organisation where he/she will be fully involved in decision making.

Candidates are likely to be graduate accountants, graduate solicitors or MBA's aged 33 to 40 with a number of years' experience of mainstream corporate finance, gained in a merchant bank or similar environment. It would be helpful (but not essential) if the candidate's degree was in a scientific or engineering discipline.

An attractive salary is offered in addition to the usual banking benefits and there are also prospects of an equity stake in the company.

In the first instance, please write to David Hoblyn, Managing Director, Shire Trust Limited, 24 Austin Friars, London EC2N 2EN.

Stockbrokers
City

You have minimum five years investment experience in a stockbroking or allied environment, and are looking for an exciting new challenge.

We are leading stockbrokers backed by an International Bank. With increased demand for professional financial management as a result of the Financial Services Act, we are looking for a No.2 for an expanding investment management and marketing team. Enthusiasm, dedication and flexibility essential.

Outstanding prospects. Excellent remuneration package offered.

Please write in confidence, quoting reference L.5349 on envelope, giving brief details of relevant experience and listing separately any companies to whom your application should not be forwarded, *to*:– Melvyn Gadsdon.

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Hesketh House Portman Square London W1H 0JH

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The Manager level position requires between 5 and 9 years tax experience with significant corporate international tax involvement. The senior level opening requires at least 4 years of such experience. CPA essential, JD or advanced tax degree a definite plus. You should have excellent interpersonal and writing skills. Full-time international corporate tax consulting and the high visibility and world-wide professional interaction of this important specialization will rapidly broaden your experience and enhance your partnership potential with us. U.S. based training provided as appropriate.

For confidential consideration, send your resume and salary history to:

Veronica Frohock,
Tax Recruitment Manager,
Deloitte Haskins + Sells,
P.O. Box 208,
128 Queen Victoria St.,
London EC4P 4JX.

Deloitte Haskins+Sells
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English into Japanese

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Phillips & Drew is a leading UK securities house, providing a wide range of financial services to its clients.

We are looking for a professional translator with several years' experience in economics or finance to join a newly established team in our International Research Department. Working within a stimulating environment, you will be involved in the translation and publication of research material and reports for our clients. You should be educated to degree level, and speak and write fluent Japanese.

In return, we offer an excellent compensation package which includes bonus, mortgage subsidy and non-contributory pension scheme.

Please send your c.v. or telephone for an application form to:

Isabel Doverty,
Recruitment & Development Manager,
Phillips & Drew,
120 Moorgate, London EC2M 6XP
Telephone: 01-628 4444

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The successful candidate, who must have strong interpersonal skills and be a self-starter, must be prepared to develop a broader knowledge of property management and premises activities.

An attractive benefits package including Pension Fund, Mortgage facilities and a salary of up to £15,000 is envisaged for the successful candidate.

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BANK CHAMBERS, 214 BISHOPSGATE
LONDON EC2
01-247 8314

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Faculty of Laws
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from October 1987

Research Assistant to assist the Reader in European Community Law, Dr F. G. Snyder, in research on EEC legislative processes, law of the common agricultural policy, and EEC relations with developing countries. Basic knowledge of EEC law and institutions is essential. Reading knowledge of French and/or an interest in law in context would be an advantage. Salary range £8185-£9865 + £1393 LA. Applications, with cv and names and addresses of two referees to Departmental Secretary, Faculty of Laws, University College London, Bentham House, 4-8 Endsleigh Gardens, London WC1H 0EG. Closing date: 28 May 1987.

Jonathan Wren

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£30,000 to £60,000

We are currently seeking experienced senior managers to control PENSION FUNDS (£200M+), UNIT TRUSTS (UK & European) and FIXED INTEREST FUNDS (Bonds/Gilts/Bulldogs/Eurocurrencies). Age range 30 to 35 years.
Contact Barbara Dabek.

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An excellent opportunity has arisen for a new issues specialist to set up and manage a new department within a leading UK firm of stockbrokers. The successful applicant will combine strong man-management skills and self motivation with substantial experience of new issues within a market making operation.
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Recruitment Consultants
No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266. Fax: 01-626 5258.

Managing Director Corporate Acquisitions

Our client is an international investment corporation, with total assets of over US$2 billion. Its UK operation was established in 1985, and has seen considerable growth through a policy of acquiring strategic holdings in UK companies for future development. They seek to appoint a senior acquisitions specialist at managing director level to further the group's corporate objectives of maximising profits through continued acquisitions.

With full responsibility for the embryonic equities division, the successful individual will investigate, analyse and recommend future acquisition targets, and ensure the smooth transition of companies into the corporate structure. A small but successful team is already in place; its planned expansion will necessarily be an additional area of involvement.

Respondents will probably be at director or equivalent level and will have extensive mergers and acquisitions deal-making experience, gained within a UK or international bank, a strategic consultancy and/or the corporate development division of an industrial group. Personal qualities sought include entrepreneurial flair and tremendous ambition. Individuals will relish the challenge of having performance measured against their success in building the company.

Annual remuneration includes a very generous profit share scheme, in addition to a substantial basic salary and attractive perquisites. The package demonstrates a commitment by our client towards this position and will allow the appointee to be actively rewarded for the company's success through equity participation.

Please write to Lindsay Sugden ACA or Timothy R. Wilkes at Michael Page City, 39-41 Parker Street, London WC2B 5LH, or telephone them on 01-404 5751.

Michael Page City
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Competitive salary/benefits package plus performance related bonus

This is an opportunity for you to be a major influence on the performance of funds. You will have responsibility for the day to day management of assets which are currently invested in multi-currency fixed income securities. Following strategies set by an informed and experienced investment committee you would be responsible for construction of bond portfolios to obtain appropriate currency/securities weightings. You would generally be expected to seek to add value to the portfolios by identifying and acting upon market opportunities.

The bank has a substantial business in asset management and an excellent track record. There is great potential for steady and consistent growth of international funds under management through existing relationships and active worldwide marketing. You can play an important part in contributing towards business growth by helping to maintain an outstanding performance record.

To be a candidate you should have at least 2 years' experience in fund management and a thorough working knowledge of international fixed income securities. The bank operates a flexible pay arrangement in which the mix of salary and benefits can be individually determined. This package will in itself be competitive with other leading houses but there is the opportunity to raise your total compensation above competitive levels through performance related bonus.

To apply write or telephone John Sears and Associates, Executive Recruitment Consultants, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB, 01-629 3532.

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Salary Negotiable

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Candidates should have a thorough knowledge of commercial property lending gained from experience with a bank or similar institution. Personal qualities should include a degree of self motivation, the ability both to work flexibly within a team and develop new business.

Those interested in discussing the opportunity further should contact Julia Cartwright on 01-404 5751 or write to her in strictest confidence at Michael Page City, 39-41 Parker Street, London WC2B 5LH, quoting reference 3757.

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OFFICE ADMINISTRATOR VENTURE CAPITAL
WEST END c £25,000

Our client, a leading venture capital company with investments in the USA and the United Kingdom, is currently expanding its activities. A consequent reorganisation of its administration has created a new position. The requirement is for an individual aged 25+ to work with the Company Secretary, reporting to the Chief Executive. The successful candidate will be responsible for all aspects of office administration and reporting, including:

- Maintenance of a computerised database of information on investments
- Preparation of quarterly reports to shareholders
- Maintenance of records of legal documents relating to investments
- Weekly and monthly progress reports.

The ability to write clear and concise reports is essential. Candidates will probably have a professional qualification or a background in administration in stockbroking or fund management. A working knowledge of personal computers would be an asset.

Suitably qualified applicants should write, enclosing full Curriculum Vitae, to:

Box No. 403
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18 Red Lion Court
London EC4A 3HT

DEPUTY SECRETARY

The international property investment and development subsidiary of the Taylor Woodrow Group require a Deputy Secretary who will also be appointed Secretary of a number of the Company's UK subsidiaries and associates in due course.

The position carries responsibilities for the corporate and statutory matters relating to the Company and its subsidiaries and associates in the UK together with general company administration, including responsibility for the office management department; personnel matters; insurance and service marks.

Assistance with corporate planning and financial documentation is also necessary within this expanding organisation.

In addition to a competitive remuneration package a company car will be provided.

The preferred age range is 28-35 and Chartered Secretaries with appropriate experience are invited to apply in writing quoting age, education, experience and required salary range to:

C. R. Knott, F.C.I.S.,
Director & Company Secretary,
Taylor Woodrow Property Co Ltd
Avenfield House
118-127 Park Lane
London W1Y 3FG

SCOTTISH WIDOWS
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We are seeking people with several years Investment Experience who are now ready to move to a more challenging role. This experience will include investment analysis and/or portfolio management in either North American or European Equity Markets.

Some knowledge of European languages would be an advantage.

Applications with career details to the Staff Manager, SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY
15 Dalkeith Road, Edinburgh EH16 5BU

WILLIAMS DE BROE
Private Clients

As a result of the rapid expansion of our Private Client Department, we are seeking to recruit suitably experienced individuals who initially would assist Senior Fund Managers but who would be expected rapidly to assume greater responsibilities within the department.

Applicants are likely to be aged between 21/25 with a minimum of two years' Private Client experience. We believe that this opening will be attractive to those individuals who believe they have the ability to progress in the Private Client environment but feel constrained by lack of opportunity in their current employment.

A fully competitive remuneration package will be offered.

Applications should be made in writing, together with a curriculum vitae, to:

C. J. Laing,
Williams de Broe,
Pinners Hall, Austin Friars,
London EC2P 2HS

PORTFOLIO MANAGEMENT

Hoare Govett Financial Services is looking to recruit three experienced, enthusiastic and highly motivated executives.

Prospective candidates will be aged between 27-35 and will have not less than five years' experience in the management of private client portfolios, preferably in the stockbroking environment. These positions offer well above average remuneration and excellent career prospects.

Applicants should write with a full C.V. to:
Alan Izzard, Hoare Govett Financial Services Limited,
Napier House, 24/28 High Holborn, London WC1V 6AZ.

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In return, we can offer you a very competitive salary backed with performance bonus and a range of banking benefits, including low cost mortgage and loan schemes.

In the first instance, please write with your full c.v. to: Shelagh Stephenson, Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 6JJ quoting ref. 4498.

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Please write enclosing a CV or telephone JOHN LORD or DAVID JONES

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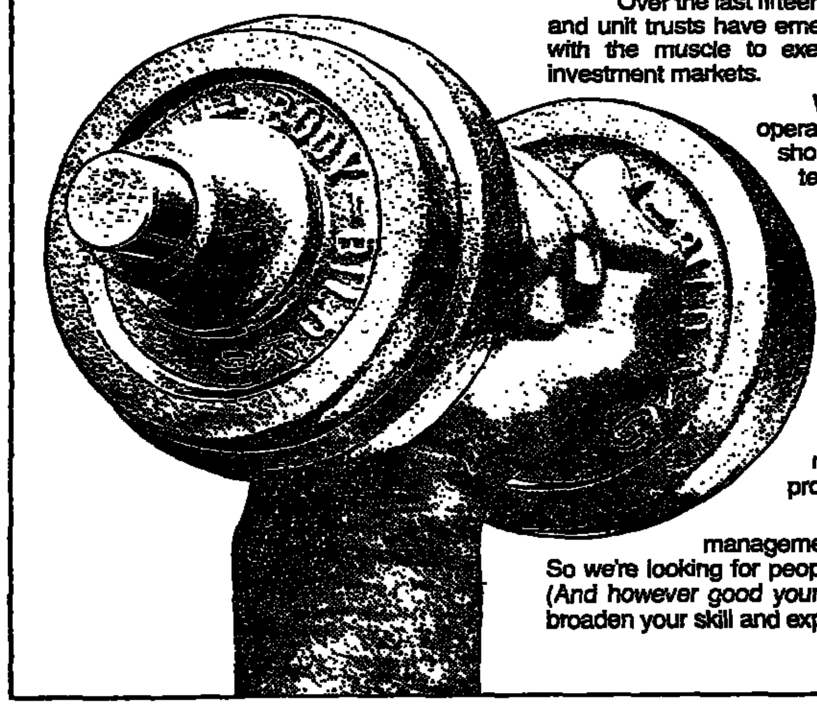

Over the last fifteen years investment institutions such as pension funds and unit trusts have emerged as a growing and significiant economic force, with the muscle to exert an *increasing influence on UK and overseas* investment markets.

Which means the need for highly-tuned strategic and operational advice has become even more pressing. How should funds react to changes in legislation? Is short term investment performance more important than long term security? How can managers meet the demands for better service and lower administra*tion costs?*

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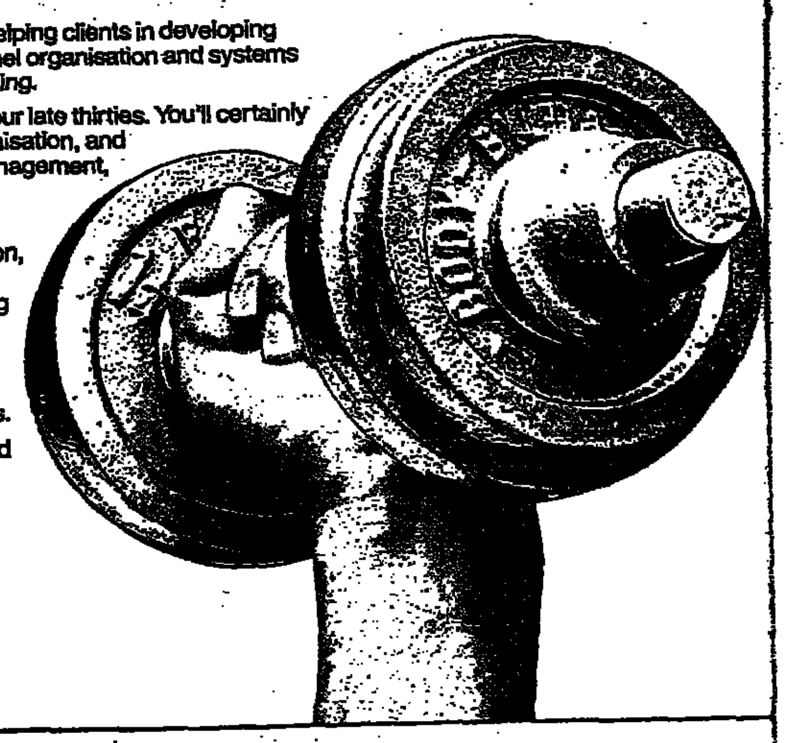

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If you are currently selling only a narrow range of products – *our client can offer you the opportunity of selling all or any of their* wide range which includes straight bonds, FRNs, Treasuries and ECP.

If you are currently with a house which is not well known – we can offer you the opportunity of joining a top quality name which is well respected by both Treasurers and Institutional Investors. The high standing of our client's name with Treasurers is evidenced for example in a recently published survey in which it ranked as one of the world's leaders in commercial foreign exchange. Institutional Investors have a high level of awareness of the house not least because of its position as primary dealer in Treasuries.

If you are currently selling only primary market trades – since our client is an active market maker in a large and growing number of straight bonds, FRNs, Treasuries and ECP you are likely to be able to offer your clients more products, more often and at competitive prices, both buying and selling.

If you are currently selling only secondary market trades – our client can offer you greater placement opportunities as it is involved in a substantial number of new issues as well as being primary dealers in US Treasuries.

If you currently have no real career prospects – the Company has a first class record in management development and its expansion in the Capital Markets is expected to create opportunities for successful people to progress into senior management. There is also the possibility of future overseas assignment as the Company has established offices in most of the world's major financial centres.

In summary this is an opportunity to sell a wide range of products with a top quality name which can offer you genuine career prospects and where excellent territories are still available. The Company offers salaries competitive with other market leaders, a realistic bonus scheme, and an excellent benefits package including *company car and low interest mortgage scheme.*

If you are a consistent sales producer in either bonds, treasuries or ECP and have at least two years experience, you should apply by calling **John Sears and Associates, Executive Recruitment Consultants, on 01-629 3532 or writing to Cavendish Court, 11/15 Wigmore Street, London W1H 9LB.**

John Sears and Associates A MEMBER OF THE SMCL GROUP

Capital Markets – Economist

To £30,000 and bonus

Our Client, a major European-based investment bank, is seeking an Economist, to work directly under the Senior Economist. You will be involved in developing an in-house macro-economic forecast on the major OECD countries, their exchange rates and interest rates, and will be expected to draw upon the expertise of the Company's other economists located in financial centres worldwide. In addition, you will also be involved in the production of a monthly publication which advises clients on an international investment strategy and includes inhouse statistics on bond and equity instruments. There will also be the opportunity for original research on economic and financial topics.

The successful candidate, should have a first degree in economics (at least upper second), with some statistical and/or econometric and/or computing content. Knowledge of a European language, although not essential, would be an advantage. There is the possibility of occasional travel abroad. A competitive salary together with a very substantial bonus scheme and other benefits is proposed.

Please send CV's to: Adrian Whitbread at Moxon Dolphin & Kerby Ltd, 178/202, Great Portland Street, London W1N 6JJ. He will forward all replies to our client – please indicate any companies you would not want him to contact.

MOXON·DOLPHIN·KERBY
EXECUTIVE SEARCH & SELECTION

Business Development Managers

Factoring and Financial Services

Offices in: Birmingham, Bristol, Leeds, *London, Manchester*

Griffin Factors Limited – a *Midland Bank company operating within Forward Trust* Group is well established as one of the leading factoring companies in the U.K. with an enviable growth record in both volume and profit terms. Vacancies exist for sales orientated new business negotiators to meet rapid growth forecasts.

Business Development Managers play a key role in expanding and developing the business base. These challenging positions demand a high level of self-reliance and initiative in identifying new potential clients. Managers are responsible for promoting and selling the Company's range of financial services for both domestic and international products.

The prime objective of this role is:-

* *The generation of new Factoring and Invoice Discounting business* through established and other sources of introduction.
* *The negotiation of agreements at Board level from initial contact through to a successful conclusion.*

To apply for these positions, which offer considerable scope for future career development, you should be aged not less than 30 years and have a proven track record in your career to date; be an experienced negotiator in a finance related or other commercial discipline. Factoring experience is not essential as full product and financial training is available for the right candidates.

The Company offers an excellent salary together with a range of benefits (including Company car) normally expected from a member of a major banking group.

Griffin Factors Limited is an equal opportunities employer.

Interested candidates are invited to write with details of careers to date to *Mrs. Jean Marshall, Manager, Personnel, Griffin Factors Limited,* 21 Farncombe Road, Worthing, West Sussex BN11 2BW.

GRIFFIN FACTORS LIMITED
A member of Midland Bank Group

Treasury Manager

late 20s/early 30s — salary : negotiable

Expanding International Group requires a Manager for its Treasury *Department, based in Central London.* The Treasury Manager will assist the Group Treasurer in analysing and developing new financing opportunities in the Group's *changing and expanding phase and in negotiating and overseeing* implementations. The successful candidate will have had treasury experience and be a numerate and an analytically *minded graduate capable of preparing and making presentations* both to management and lenders. He/she will also have the ability to develop and review documentation both for financing agreements and other corporate contracts and to assist in the Group's tax analysis. An MBA, Legal or Accounting qualification would be an advantage. Salary will be competitive and benefits will include a company car, health insurance and a non-contributory pension scheme. Applicants should write with full details in confidence to Selection Thomson Ltd., as advisers to the company, at 115 Mount Street, London W1Y 5HD.

Selection Thomson
London and Glasgow

Operational Services Assistant Director

City c£35K+Car+substantial benefits

Pre-eminent in its field, our client is one of the UK's leading securities houses employing over 1200 people in the City. The rapid pace of change and the intensity of competition is likely to maintain its present growth rate for the foreseeable future, as additional overseas offices are opened.

In order to maintain its competitive edge, this senior management appointment has been created in EQUITIES, the largest of 5 Divisions, to ensure that strategic and tactical plans become operational fact.

As a member of the Equities Division management committee, the responsibilities are very broadly defined, will change in line with business priorities and will not be easy to accomplish. The essence of the job will be to support the Head of Equities in the running of his Division from planning, budgeting and systems through to liaison about settlements, space and people, by harnessing inter alia the central support services available within the rapidly growing Corporate Group.

As a candidate you will understand the industry and the people you will be dealing with, and will have the track record to demonstrate your organisational flair, judgement and ability to contribute and perform. Please write, IN CONFIDENCE, to Peter T. Willingham attaching sufficient detail to explain why we should meet to discuss this appointment quoting reference LM878 at Spicer and Pegler Associates, Executive Selection, *Friary Court, 65 Crutched Friars, London EC3N 2NP.*

Spicer and Pegler Associates
Management Services

MANAGER CORPORATE FINANCE

An interesting position in a well respected UK merchant bank, specialists in small company management buy-outs, acquisition, merger or flotation. A high level of analytical and technical expertise is required; most probably acquired in a similar institution.

SENIOR ANALYST

This position covering the international equity and fixed fund markets for a relatively small portfolio in an investment bank, who are exploring new ideas and new areas of investment. A minimum of 2/3 years' experience in stockbroking or merchant banking are required.

EURODOLLAR STRAIGHTS SENIOR TRADER

A new and important position, recently created in an expanding merchant bank. Excellent salary and bonuses are envisaged and a high level of responsibility will be involved.

Contact *Sheila Jones*
109 Old Broad Street London EC2N 1AR
01-588 3991

OLD BROAD STREET BUREAU LIMITED

FINANCIAL CONTROLLER

A qualified accountant with several years' banking accounting experience and a knowledge of Eurobonds and investment accounting procedures is required by an international bank. The ability to communicate well, plus knowledge of computerised banking systems are *sine qua non.*

SENIOR CREDIT ANALYST

A responsible position as senior of two analysts in a department of seven, supporting the marketing team in an international bank with corporate customers in the UK and throughout the world.

Contact:
Sheila Jones
109 *Old Broad Street*
London EC2N 1AR
01-588 3991

OLD BROAD STREET BUREAU LIMITED

STOCKBROKING OPPORTUNITIES

***INTERNATIONAL* EQUITY DEALER** — 20-30 — Salary c £25,000 p.a.
Expanding dealing room of European bank needs an experienced international equity dealer to deal for both the bank's positions and on behalf of the client. 1-2 years' previous experience needed.

EQUITY SALESPERSON — 20-30 — Salary c £25,000 p.a.
A salesperson is needed to market this European bank and its products on all equity markets including US and Japan. Knowledge of capital markets is important for this new position. French and/or Spanish speaking would be advantageous.

SAFE CUSTODY— NOMINEE CLIENTS — Salary on application
Leading UK stockbrokers have a vacancy for an experienced safe *custody clerk. At least five years' previous experience required* in order to supervise nominee clients stocks. Good salary and benefits.

PART QUALIFIED ACCOUNTANT — 25-28 — Salary £15-20,000 p.a.
Excellent opportunity for a part qualified accountant to enter the expanding financial services section of a large SE listed company. Reporting to the Financial Director a knowledge of Stock Exchange returns, year end accounts and bank reconciliations is needed as is 2-4 years spent in the back office of a stockbroking firm.

JUNIOR ANALYST— EUROPE — Mid 20s — Salary starting £15,000 A.A.E.
A European analyst is required for the securities house of a major UK merchant bank to *analyse* the top 100 companies in France, Germany, Holland and *Scandinavia.*

Please speak to Cindy Brunck on 377 5040 with regard to any of the positions or write to

LJC BANKING APPOINTMENTS
Devonshire House, 146 Bishopsgate, EC2M 4JX.
01-377 5040

BANKING OPPORTUNITIES

SPECIAL FINANCE EXECUTIVE — c 45 year of age — Salary £40-50,000 p.a.
Prestigious international bank seeks an exceptional person to head *a section of the bank dealing with* project finance. The bank acts as lead manager in financing large projects in construction, aircraft related and other large enterprises. The person sought could be from industry and is possibly a director of a construction or petroleum company. This appointment could possibly be on a consultancy basis.

SWEDISH SPEAKING BOND SALESPERSON — 20s — Good Salary Neg
Fluent Swedish speaking bond salesperson with minimum of one year's experience sought by leading US bank.

BANK ACCOUNTANT— PROJECT FINANCE — 20s — neg from £25,000 p.a.
Well-known international bank seeks an accountant who has banking experience in an accounting role and dealing with project finance accounting.

FRENCH SPEAKING MARKETING OFFICER — Mid-late 20s — c £20,000 p.a.
First-class UK merchant bank seeks one with a bank marketing background. The right person will be fluent in French and will probably come from a merchant bank. Considerable foreign travel involved. Please speak with Elizabeth Hayford in confidence on 01-377 5040 or write to:

LJC BANKING APPOINTMENTS
Devonshire House, 146 Bishopsgate, London EC2M 4JX
TEL: 01-377 5040

UK Equity Sales

Continental Europe

As part of our continuing growth we are seeking experienced Equities Sales staff to join a well established team marketing our UK Research to leading Institutions in Continental Europe.

We require individuals with a minimum of 2 years' experience in Institutional Sales; in addition you will be fluent in at least one European language other than English.

As part of Citicorp's Global Equities Group, and with a first class Research product, we offer an unparalleled opportunity to participate in this key area. The career prospects are fully matched by a remuneration package which emphasises reward based on contribution.

If you have the skills and experience to contribute to our further expansion, please write with full career details to Colwyn Philipps, Scrimgeour Vickers & Co Ltd, Regis House, King William Street, London EC4R 9AR.

Scrimgeour Vickers & Co.

Member of the Stock Exchange

ANALYST

APPOINTMENTS

Our clients require Investment Analysts with experience in Fund Management or Stockbroking.

Telephone
DR. ELSPETH DAVIDSON

01-439 1701

UNIVERSITY OF LONDON

READERSHIP IN COMMUNICATIONS AND INFORMATION LAW IN THE FACULTY OF LAWS AT UNIVERSITY COLLEGE LONDON

The Senate invite applications for the Readership in Communications and Information Law, newly-established under the London University Academic Initiatives Scheme. It is intended that the Reader should specialise in the legal problems posed by recent developments in communications and information technology, especially its regulatory framework. The Reader will be expected to introduce taught courses in this area, to conduct research and to promote an interdisciplinary research programme.

Salary will be in the range £18,494-23,355 plus £1,393 London Allowance.

Applications (10 copies) should be submitted to the Teachers' Section (FT), University of London, Senate House, Malet Street, London WC1E 7HU, from whom further particulars should first be obtained.

The closing date for receipt of applications is 26 May 1987.

東京で生かせます。あなたのユーロ債セールス実績と経験。

Citicorp's securities affiliate, Vickers da Costa, is searching for an extremely professional and motivated individual to be Head of Eurobond Sales in the Tokyo Branch. The team consists of 8 salesmen with expectation of further growth. Sales is supported by expert traders in all major Eurobond currencies.

The successful candidate should be Japanese or a foreigner with extensive language and cultural experience. He should have 10 years of securities sales experience and be well acquainted with the Euro-securities market. Salary, bonus, and relocation allowances will be generous.

Interested parties should respond in writing to O. Narita, Head of Personnel, Vickers da Costa–Tokyo Branch.

VICKERS DA COSTA Ark Mori Building, 24th fl. 12-32, Akasaka 1-chome Minato-ku, Tokyo 107 Japan

CITICORP

TREASURY MANAGER

US MULTINATIONAL

London — c£30k Package

Our client is a leading consumer goods company with diverse world-wide interests. Through a continued and prudent acquisition strategy they have strengthened their International earnings base. There is firm commitment to sound management and financial practices alongside significant new product development.

In addition to treasury management, this position will have significant impact across several disciplines including tax, insurance and legal matters. As a result, the role demands sound knowledge of broad working practices as well as a comprehensive awareness of developments in treasury sourcing.

The successful candidate should demonstrate commercial awareness, be technically assured and have a proven track-record within a similar environment. Reporting to the Board of Directors the candidate will be professionally qualified, task motivated and capable of reporting to tight deadlines.

The ability to assess and prioritise tasks effectively, to achieve objectives set by senior management, and display a high standard of analytical competence, will be necessary.

Remuneration, including high base salary and company car, is negotiable.

Interested applicants should telephone Keith Allen on 01-930 7850, or write, giving brief details to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

Make your name in US TREASURY BONDS

An exciting 'greenfields' opportunity

Our client is a profitable US trading house with a high reputation internationally. During 1987 they intend to treble the size of their London establishment, developing a major presence in a number of new markets including US Treasury Bonds. Hence the following immediate opportunities ...

TRADER

You may at present be trading T-Bonds with a major investment bank and seeking greater scope and reward. Alternatively, you may be with a merchant bank and seeking a more dynamic and creative environment. Either way, you are ambitious to take responsibility for building a profitable trading activity.

SALESPERSON

We should like to hear from you if you are at present selling US Treasury Bonds to a European client base. As with the trading position, we welcome enquiries both from seasoned market professionals and from ambitious 'juniors' with upwards of one year's experience.

Professional expertise is not enough in itself — our client lays great emphasis on teamwork, and on personal qualities of character and vitality. In return, they offer a working environment which is high-powered but informal, with 'state of the art' technological support and virtually unlimited earnings potential.

Interested individuals should contact Anita Harris in confidence; telephone 01-606 1706. Alternatively, outside office hours, please telephone Ken Anderson on 01-858 1375.

Anderson, Squires Ltd., Financial Recruitment Specialists, 127 Cheapside, London EC2V 6BU

Anderson, Squires

3i CITY OFFICE

INVESTMENT EXECUTIVES UP TO DIRECTOR LEVEL

The City Office of 3i, which looks after £500m of portfolio investments in 150 companies, is seeking to recruit additional investment executives to staff its expanding operations in London.

The majority of the City Office's activities are in the areas of listed and unlisted equity investment and medium term lending in the UK, including "mezzanine" transactions.

This involves setting up and monitoring loan and/or equity investment opportunities, including management buy-outs, in larger unquoted companies and listed PLC's. The job requires investment appraisal, negotiation and transaction management skills.

As an Investment Executive aged between 27-37, you should probably be a Chartered Accountant, an MBA or a commercially minded lawyer, but other disciplines may be relevant. Some experience in a financial institution or comparable environment would be desirable, but is not essential for an outstanding candidate at the younger end of the age range.

You are now looking for a demanding and rewarding job with interesting career prospects and exposure to a wide variety of investment proposals. You are willing to work closely with colleagues in a small team.

A generous remuneration package includes normal banking benefits.

Please write, with career details, to Kathleen Rawle, Personnel Manager, Investors in Industry plc, 91 Waterloo Road, London SE1 8XP. Alternatively, telephone her on 01-928 7822.

THE CREATIVE USE OF MONEY.

Assistant Planning Manager

Tate & Lyle is the world's largest sugar refiner. T. & L. Sugars, the U.K. subsidiary, is currently undertaking a major capital expenditure programme to improve the efficiency of its operations as part of its strategy to remain competitive. The planning and execution of this programme and the company's ability to adapt its strategies to changing commercial and political environments are crucial to the future success of the business.

To strengthen the strategic planning function, we are seeking an Assistant Planning Manager whose major role initially will be to conduct or co-ordinate major project feasibility studies. The role will also include developing the company's strategic model, assisting in the preparation of the Outline Operating Plan and examining areas of potential business growth.

Candidates must be graduates, preferably with an MBA, although applicants with an ACMA or recognised marketing qualification would also be considered. They must have at least three year's experience in a manufacturing company with project or product management experience; good report writing and presentational skills; the social skills to establish good working relations with other departments and a highly developed ability to think conceptually.

Salary: c£18,000. Non-contributory pension scheme.

TATE & LYLE

Apply in writing to:- Ray Bayliss
Tate & Lyle Sugars
Thames Refinery
Factory Road
Silvertown
London E16

Overseas Fund Management

MGM Assurance is a progressive mutual office, specialising in life assurance, pensions and investments.

In readiness for an expansion of its range of unit funds we have a vacancy for an assistant fund manager for overseas investments.

The opportunity should appeal particularly to people with a good educational background who have recently started a career in investment. The preferred age is 21-25 and a competitive salary will be paid.

Please write enclosing curriculum vitae to:— Assistant General Manager (Investments), MGM Assurance, London Investment Office, 11-15 St. Mary at Hill, London EC3R 8EE.

Marine and General Mutual Life Assurance Society
Established 1852

International Banking

SENIOR CREDIT ANALYST

First class European Bank committed to a relevant London operation require a person aged late 20's to join the Analysis Unit and work with two other analysts on a comprehensive range of appraisal situations.
SALARY: to £17,000 plus bonus.

ACCOUNT OFFICER

A well established International Bank seek an additional person, ideally a graduate and aged late 20's - early 30's, to undertake a challenging business development and marketing role. Suitable candidates will offer relevant experience and a background to particularly include credit analysis skills. SALARY: to £20,000.

FINANCIAL FUTURES FLOOR TRADER

A British Merchant Bank involved in domestic and international markets and maintaining an established LIFFE operation require an additional Floor Trader to join an active and successful team. Applicants will offer generalist experience gained over a minimum twelve months period. SALARY: to £20,000.

FUND MANAGER

A prime name in Investment Banking require a graduate aged mid 20's with at least eighteen months experience of fixed interest fund management and, ideally, additional knowledge of equity funds or bond sales. The relative accounts are varied and either European or Far East based. SALARY: £20,000+.

PRIVATE BANKING

A highly respected and long established European bank require an additional person aged 30-40 for specific involvement in the management of international Investment Funds for private individuals. A wide knowledge of varied instruments is decidedly preferable.
SALARY: to £35,000.

CORPORATE/PROJECT FINANCE

A particularly well regarded European Bank require a graduate to assist in the overall function of project and corporate finance opportunities within the bank. Relevant experience of financial service companies is required or alternatively the position would suit a practical and innovative newly or recently qualified ACA.
SALARY: c£17,000 plus bonus.

BANK RECRUITMENT CONSULTANTS.

Gordon Brown

57/59 LONDON WALL, LONDON EC2M 5TP
TEL: 01 628 7601

ASSISTANT MONEY MANAGER

up to £18,000 — City

We are seeking to appoint an Assistant Money Manager to work alongside our Money Manager and Gilt/Fixed Interest desk.

Applicants must have at least two years experience in the money markets with a Financial Institution and a degree or professional qualification would be an advantage.

In addition to salary an attractive benefits package is offered which includes a non-contributory pension scheme and preferential mortgage scheme.

Applicants should apply in writing, including a comprehensive curriculum vitae, to:
A.P. Peggie Esq., Investment Administrator, Eagle Star Insurance Company Limited, 1 Threadneedle Street, London EC2P 8BE.

Eagle Star

PORTMAN

BANKING CAREERS

CAPITAL MARKETS

c. £20,000

This expanding City Merchant bank have a career opening for a highly motivated graduate with 2-3 years' international banking experience.

Candidates should be self starters with sound knowledge of credit analysis and have had formal training from a recognised bank.

The position entails credit and marketing of Capital Market products within the UK and preference will be given to applicants with related experience.

An excellent opportunity for a young executive to progress into a marketing role.

Portman put care into careers

01-236 1113

Portman Recruitment Services Limited

EXECUTIVE SEARCH CONSULTANT

– We are an expanding Human Resource Consultancy offering a unique range of inter-related professional services including executive search.

– You are 30 to 40 with a background in high tech or city finance, a successful track record in developing and carrying out search assignments at top level and an appetite for further achievement.

– The challenge is to help us build our Search Practice to the highest standards of excellence.

– The position offers high rewards based on performance, including first class fringe benefits and eventual participation in a stock option plan.

If your ambitions match our requirements, please contact or write (enclosing a CV) to Robin Podd

THE HARLEY GROUP

45-47 Nottingham Place, London W1M 3FE Tel: 01-486 4331

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£52 per single column centimetre
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Investment Analysts

UK, North American and Japanese Equities

Professional development with one of the UK's leading pension funds

On behalf of the BP Pension Fund, we are currently seeking Analysts to undertake research in close collaboration with the Portfolio Managers in each of the above sectors.

The Fund is one of the largest in the UK and provides an unrivalled, professional environment for young investment analysts to further develop their knowledge and expertise.

A graduate, ideally aged under 30, you must have at least one years' relevant experience.

We offer negotiable salaries and a range of benefits including performance-related bonuses, non-contributory pension scheme, luncheon club, interest free season ticket loan and a wide range of sporting facilities.

For an informal discussion, please telephone 01-920 8218 quoting reference GPH/FDL or write for an application form to Mrs J.L. Parker, The British Petroleum Co plc, Britannic House, Moor Lane, London EC2Y 9BU.

BP is equal opportunity employer.

BP

The British Petroleum Company p.l.c.

Corporate Finance Lawyer or Accountant

AES

Birmingham/London **negotiable**

Albert E.Sharp & Co, one of the leading and most influential stockbroking firms outside London, is continuing to expand its corporate finance facility with considerable success, and in order to maintain its momentum now wishes to appoint an additional member to its team who could be based either in London or Birmingham.

Candidates, male or female, should be aged between 26 and 35, graduates with in addition a legal or accounting background and some experience of corporate finance, preferably gained from within a similar institution or profession. The personal characteristics necessary to succeed within a wide range of corporate clients are equally important.

The salary package is open for negotiation and should appeal to those already earning up to £22,000 per annum. In addition there will be the normal benefits associated with a business of such stature.

Please write in confidence, initially with brief details, and quoting reference 1708 to Keith Phillips, as Advisor to the firm, at:

Deven Anderson & Associates
(Incorporating John Anderson & Associates)
Executive Search & Selection
Berwick House, 35 Livery Street
Birmingham B3 2BP

BIRMINGHAM · LONDON · NEW YORK · LOS ANGELES · NEW JERSEY

BULLION OPERATIONS

PACKAGE UP TO £20K

A vacancy exists within the Bullion Department of an international commodity trading company, based in the City, for an operations person. Duties will involve liaison with traders on a daily basis on closing trading positions and hedging of positions, monitoring and reviewing customer risk positions, control of margins, calculation of storage and interest charges, maintenance of customer records, reconciliation of metal accounts and liaison with the accounts department on production of monthly management accounts. This is a position suitable for someone who wishes to progress rapidly within a fast-moving environment.

Candidates should be in their early/mid twenties, be educated to at least "A" Level standard. They should be either a newly-qualified ACCA and ACMA or part-qualified AIB with good all-round office experience, preferably in a banking or securities background.

Please reply to Box A0513, Financial Times
10 Cannon Street, London EC4P 4BY

US Stockbroker
London Based Sales Executive

McKinley Allsopp Limited is an investment banking and NASD brokerage subsidiary of MerchantsBank of Boston Group, primarily serving institutional clients in the U.K. and Continental Europe.

The company is poised for further rapid growth and seeking to recruit hard-working dynamic individuals, under 35 years of age, to join its professional sales team in key positions. You should have at least 2-3 years' sales experience in the securities business and NASD Series 7 registration would be an advantage.

A very attractive salary and benefits package will be offered to those who contribute to and participate in the company's profitable expansion. The company is City based.

Interested candidates should first write succinctly, enclosing a curriculum vitae, to David S. Allsopp, Chairman, McKinley Allsopp Ltd., Prince Rupert House, 64 Queen Street, London EC4R 1AR.

McKinley Allsopp Ltd.

SENIOR UNIT TRUST DEALER

MIM Britannia Unit Trust Managers Limited is looking for a Unit Trust Dealer to join its expanding City-based dealing operation.

This is a senior appointment and applicants should be aged around 30 with 5-7 years dealing experience and have a wide knowledge of the unit trust industry. Experience in the use of computerised dealing systems would be an advantage. A competitive salary is offered together with an attractive range of benefits including subsidised mortgage and non-contributory pension scheme.

Applications in writing, together with full curriculum vitae should be addressed to:- The Personnel Manager, MIM BRITANNIA LIMITED, 11 Devonshire Square, London EC2M 4YR.

MIM BRITANNIA

MIM BRITANNIA UNIT TRUST MANAGERS LIMITED

International Appointments

Australian Money Brokers Ltd.

(A member of the Martin-Bierbaum group)

AUSTRALIA

POSITIONS AVAILABLE

FRA BROKER

We have a vacancy for an experienced person to undertake broking operations in the Australia financial markets. The successful applicant will be responsible for directing the company's operations in this area and will be managing a small team.

DEPOSITS BROKER

We also require a young experienced person in the deposit's area.

REMUNERATION

In both cases will be negotiable dependent upon the experience and ability.

All replies will be treated in the strictest confidence and should be made in writing to:

Mr Simon Wright,
Ref Australia
c/o R. P. Martin plc
4 Deans Court, London EC4 V5AA

MARKETING EXECUTIVE

A major U.A.E. commercial bank invites applications from experienced and qualified marketing personnel to join its Merchant Banking Division at the Head Office in the capacity of Marketing Executive. In this role the successful candidate will be required to:

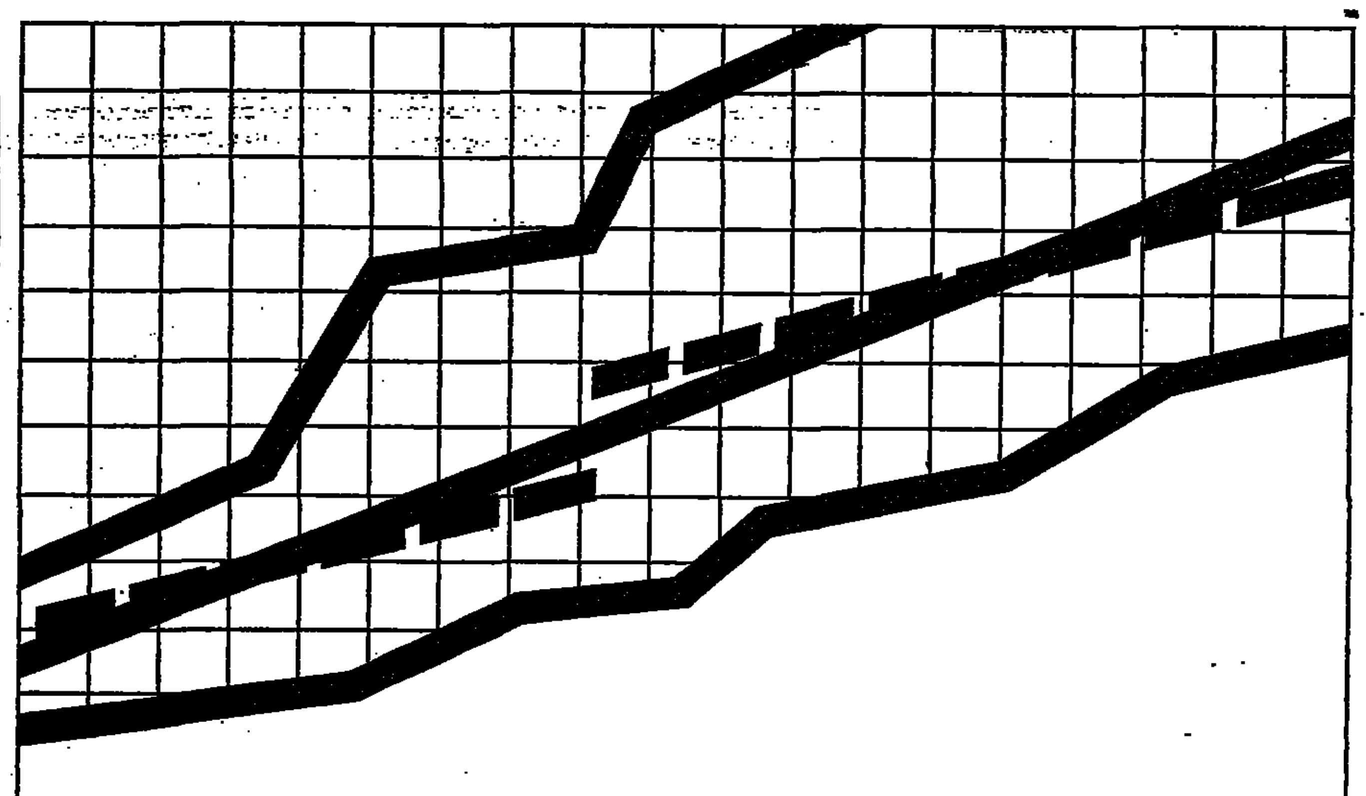
1. Market in the U.A.E. the bank's corporate finance products — mainly Mergers and Acquisitions and New Equity Issues related to European Privatisation Programs.
2. Co-ordinate with Investment Banks on new equity issues.
3. Co-ordinate with the Treasury Division and Securities Trading Department and follow-up progress of the equity markets.

Preference will be given to candidates who have had around five years marketing experience in the U.A.E. in a senior Credit and Marketing position, coupled with knowledge of the local clientele and a willingness to excel in the interesting field of Corporate Finance.

A competitive salary and compensation package will be offered which will reflect the considerable responsibilities attaching to this position.

Interested candidates should send their applications to:

The Advertiser "M.E."
P.O. Box 7135
Abu Dhabi, U.A.E.



++++1. jan. 1988 - stichtag fuer die eroeffnung soffex - (swiss options + financial futures exchange) ++++

++++ 1. nov. 1987 - stichtag fuer den 8-woechigen soffex-testlauf - ++++

Dabei sein ist alles. Teilnahme am Grossprojekt SOFFEX im Team des Schweizerischen Bankvereins. Mit diesem Team, als Optionshändler in unserem Auftrag, einen zukunftsträchtigen Markt erschliessen und bearbeiten. Eine interessante Herausforderung für Sie und alle anderen Mitglieder unseres Teams.

Wollen Sie sich dieser Aufgabe stellen? Dann bieten wir Ihnen ab sofort ein optimales Vorbereitungsprogramm für Ihren SOFFEX-Einsatz, bestehend aus Grundausbildung in der Schweiz und Aufbauschulung im Ausland.

Dabei sein ist alles. Verfügen Sie über eine solide Basisausbildung, fundiertes Bankwissen und Flair als Händler? Sind Sie mit entsprechenden PC-Applikationen vertraut, haben gute Englischkenntnisse, Zahlenverständnis und analytisches Denkvermögen? Dann richten Sie Ihre Offerte bitte an:

Personal GD – Ausland
Herrn G. Kurath, Aeschenplatz 6
CH-4002 Basel - Switzerland

Schweizerischer Bankverein
Swiss Bank Corporation

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By Morgan Guaranty Trust Company of New York, London
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Company Notices

SARAKREEK HOLDING N.V.

595 Herengracht, 1017 CE Amsterdam, The Netherlands.

Invitation

Shareholders are invited to attend the Annual General Meeting of Shareholders. This will be held on Tuesday, May 19, 1987 at 11.00 a.m. in the International Convention Center RAI, Europaplein in Amsterdam.

A complete agenda for this meeting as well as a copy of the Annual Report and Accounts for 1986 are available at the headoffice of the Company and from J. Henry Schroder Wagg & Co. Ltd., 120 Cheapside, London EC2V 6DS.

The agenda contains among other things:

- Management Report over 1986
- Approval of the Annual Accounts 1986
- Fixing of the dividend
- Proposal to alter the Company Articles
- Nomination of Boardmembers
- Designation of the competent corporate body to issue shares
- Authorization to acquire shares in the Company

To be in the position to attend the meeting, shareholders have to deposit their shares at the latest on May 14 at the bank mentioned before. The deposit certificate also serves as admission ticket.

Amsterdam, May 4, 1987
The Management Board

CARREFOUR GROUP

FINANCIAL DATA FOR 1986

(IN MILLION OF FRENCH FRANCS)

Accounts approved by the shareholders' meeting held on April 21, 1987.

	1986	1985	increase
Sales (excluding sales tax)	51,472	44,169	+16.5%
Depreciation and provisions	764	609	+25.5%
Group share of income before non-recurring items	675	520	+29.8%
Group share of net income	654	520	+25.8%
Earnings before non-recurring items per share (in francs)			
Primary	163.52	127.79	+28.0%
Fully diluted	148.12	123.29	+20.1%

The shareholders' meeting approved a dividend of 57.00 francs per share (+8.5% compared to the dividend distributed in 1986 after adjustment for stock split).

A proposal to transfer the operations of the 38 stores of Carrefour S.A. to a subsidiary will be submitted to an extraordinary shareholders' meeting to be held on April 29, 1987.

Carrefour has signed an agreement with the But Group (which operates in France 185 household appliance stores with sales in 1986 of 4.7 billion French francs) under which Carrefour takes a minority stake of 40% in the holding of the But Group "But Expansion."

INTERNATIONAL ARMS INDUSTRY

FT writers look at Bofors' embarrassing arms deal with India

Sweden needs Third World sales

ONE IS tempted to wonder if Alfred Nobel, the Swedish inventor of dynamite who left his fortune for the foundation of the famous Nobel Peace, Literature and Science prizes, is turning in his grave over the recent smuggling and bribery scandals surrounding Bofors (the weapons company which he took over in 1894). Perhaps he would simply regard these as humdrum events in the modern arms business.

Bofors, the world famous weapons company, faced financial difficulties in the early 1980s and decided to diversify and expand in the chemicals sector by taking over Kema-Nobel in 1984, subsequently changing its name to Nobel Industries. The name Bofors is still used for the ordnance subsidiary.

Swedish radio recently claimed that Bofors paid bribes to secure a breakthrough SKr 8.4bn ($1.35bn) order from the Indian Government for field artillery systems last April. Bofors strenuously denies the allegations.

Nobel Industries' shares have suffered some of the consequences. In 1986, Nobel was one of the top performers with a 141 per cent rise, peaking in October at around SKr 350. Nowadays, the shares trade at around SKr 250.

However, the events probably say more about Swedish attitudes and policy than about Bofors itself. "Bofors would be a world leader in its field if only the Swedish Government would let it," one defence analyst believes.

Bofors, after all, is highly regarded for its weapon technology. Its 155 mm howitzer—which was what the Indian army bought—is noted for its accuracy, high rate of fire, consistency (ie, the shells hit the same area when they are fired from the same position) and the fact that it is easy to use—an important practical point given that it was designed for the Swedish army, which uses conscripts. That particular feature is also considered important for Third World armies.

Mr Anders Carlberg, Nobel's managing director has warned that Bofors depends heavily upon exports in order to finance its research and development since orders from the Swedish armed forces tend to oscillate from year to year. "Only through exports can we provide the Swedish armed forces with advanced weapons at a reasonable price," said Mr Carlberg.

The problem for Bofors is that it is regarded by weapons experts as an extremely good company with the misfortune of being situated in Sweden, a neutral country which boasts one of the most advanced arms industries in the world yet which does not allow companies to export weapons to countries which are at war or in areas of conflict (which most people would regard as the obvious market for weapons).

"Only the Swedes could think of selling weapons to people who promise not to use them," said a defence consultant. "It's like selling cigarettes to non-smokers."

This means that weapons exports to the Middle East are banned. The SKr 8.4bn Indian order was not, however, regarded as out of step with Swedish policy even though one of the howitzer's merits was its range (23 to 30km), calculated to be able to reach sensitive areas across the border with Pakistan.

The order came at a critical time, though. Bofors had been cutting jobs since its financial difficulties set in during the early 1980s, and was due to announce further redudancies. The cancellation of an order for additional divisional air defence weapons by the Pentagon in 1985 meant that for a while, the outlook for Bofors was rather bleak.

Now the Indian order is expected to provide Bofors and its Swedish sub-contractors with work for 2,000-3,000 employees over the next five years. Bofors created 500-600 new jobs at the end of 1986 related to the deal. Furthermore, it received state export credit guarantees, the first time these had been granted for Swedish arms exports.

The Indian order was expected to improve the performance of both Bofors and Nobel Industries, which is controlled by financier Mr Erik Penser. The 1986 results showed a 54 per cent increase in profits (after financial items) to SKr 461m on turnover of SKr 11.54bn.

Sara Webb

Gandhi's new broom fails to sweep clean

PEOPLE IN power in India, whether politicians, bureaucrats or businessmen, are often assumed to be corrupt until they are proved innocent. So recent allegations about illicit payments to middlemen by Bofors of Sweden have fallen on fertile ground in India.

In particular the allegations on a $1.3bn Bofors howitzer gun contract have knocked the clean image of the Congress I Government led by Mr Rajiv Gandhi because they have closely followed a controversy about a 1981 Indian order with Howaldtswerke Deutsche Werft (HDW) of West Germany for four submarines costing over $150m each, plus an option for two more.

By international standards the payments allegedly made to middlemen are not large—$5m (SKr 32m) paid so far out of a total $17m due on the guns, and $25m to $30m on the submarines. The companies involved have issued carefully worded denials of the allegations.

The two orders form part of a large-scale modernisation of India's armed forces, using West European as well as Soviet equipment. Capital expenditure on defence is quadrupling, according to budget documents, from Rs 11bn ($845m) last year to Rs 40bn in the current year, including Rs 7bn for army equipment and Rs 13bn on aeroplanes for the navy and air force. There is intense international competition for the business, providing ample opportunities for corruption.

When Mrs Gandhi was Prime Minister, her Congress I party increasingly relied on large kick-backs from defence and other international contracts for party funds. The late Mr Sanjay Gandhi, Mrs Gandhi's second son, is believed to have orchestrated this for his mother before he died in a light aircraft crash a few days before the submarine deal was finalised in 1981.

Mr Rajiv Gandhi, who became Prime Minister at the end of 1984, has publicly shunned his younger brother's style and set out to clean up the administration.

In particular he enforced an existing ban on the use of agents and payment of commissions on defence deals, specifically keeping agents out of defence ministry offices and out of all negotiations. But the people involved are allowed to operate as consultants to fix appointments and make other arrangements such as hotel bookings for their clients, provided that their fees, like all Indian nationals' foreign earnings, are registered with the Reserve Bank of India.

Obviously the dividing line between agent and consultant is blurred and the work that a person can actually do depends on his personal weight and influence.

In Delhi there are dozens of organisations of varying significance, many staffed with retired civil servants and service officers, acting for defence and other suppliers.

Also important is Anatronic, which handles Bofors' affairs and whose head, Mr Win Chaddha, has a visiting card with his colour photograph flamboyantly printed alongside his name.

In the past it was assumed the kickbacks, ranging from 5 to 10 per cent, were intended for the Gandhis' Congress I party, whether they were paid in India, into Swiss bank accounts, or were laundered in some way. Virtually every big contract was assumed to include such arrangements, and companies abroad often knew whom to expect as the collector. Often the middlemen were assumed to be creaming off some cash for themselves, while individual ministers and top bureaucrats also made their own demands.

Swedish Radio claims to have evidence of four payments totalling $5m being made into Swiss accounts by Bofors' Swedish bank. This goes against assurances given to Mr Gandhi, who held the defence portfolio when the order was placed, that no commissions or middle-men would be involved.

The denials issued by both the Swedish and German companies — for example that there are no middle-men or commissions to Indian nationals — do not cover all the possibilities.

Swedish Radio says the Swiss payments were codenamed Lotus. Indian MPs have gleefully pointed out in parliament that, in Sanskrit, Lotus is Rajiv.

John Elliott

APPOINTMENTS

New chief executive for Ciba-Geigy UK

Mr John Fraser, group managing director of CIBA-GEIGY PLC, has become chief executive of Ciba-Geigy in the UK. This appointment is designed to lighten the load on the UK group chairman, Mr Allan A. S. Rae, who is taking on new commitments in Europe and is also currently president of the UK Chemical Industries Association. Mr Fraser will also take over from Mr Rae as chairman of The Clayton Aniline Co, Manchester, Ciba-Geigy Chemicals, Grimsby, and Gretag-CX, Windsor. Mr Rae remains a member of the boards of these companies.

★

Mr Frederick R. Hyde-Chambers has been appointed the first full-time director of the INDUSTRY AND PARLIAMENT TRUST.

★

PHILLIPS & DREW has appointed the following as directors: **Mr S. G. Belleini, Mr S. D. Corker, Mr A. W. B. Davies, Mr P. H. C. De Bray, Mr G. J. Ellecombe, Mr C. G. Gooding, Mr A. W. Goodwin, Mr R. F. Green, Mr R. I. Hannah, Mr D. K. S. Hobbs, Mr D. H. Mackinnon, Mr P. Richardson, Mr P. R. Robson, Mr D. J. Sheath, Mr S. E. Thornton and Mr A. E. Whittingham.**

★

Mr M. A. Jones has taken over as chief executive of the ASSOCIATION OF BRITISH INSURERS. He joined The Life Offices' Association in August 1968 and became LOA joint secretary in January 1982. He was appointed manager of the legislation department on the establishment of ABI in July 1985.

★

Mr Derek Hayes, a partner in Macfarlanes, has been appointed to the board of CONRAD HOLDINGS.

ANGLIA BUILDING SOCIETY has formed a new board at Boston Trust and Savings following its acquisition by Anglia. **Mr Michael Holloway,** a director of Anglia, is to become chairman. **Mr Ed Borton** is to continue as managing director. **Mr Arthur Brown, Mr Allan Cherley** and **Mr Richard Fisk,** general managers of Anglia, become directors.

★

M. W. MARSHALL & CO has made the following appointments at Marshall Woellwarth (Deposits) where **Mr Alan D. Brown, Mr Ronald A. Carten, Mr Robert King** and **Mr T. A. J. Stoppani** joined the board.

★

The trustees of Reuters have elected **Lord McGregor of Durris** as chairman of the board of REUTERS FOUNDERS SHARE CO. The purpose of the company is to ensure that Reuters is not owned or controlled by any one interest, that its integrity and independence are preserved and that Reuters develops its services to maintain its leading position in the international news and information business. Lord McGregor succeeds **Sir Kenneth Macpherson** who resigned. Lord McGregor is chairman of the British Advertising Standards Authority. **Mr James Fairfax** becomes a trustee of Reuters. He is chairman of John Fairfax, of Sydney, Australia.

★

Following the integration of the Ross and Young's frozen foods businesses, ROSS YOUNG'S has reorganised its senior management structure, under chairman and chief executive, **Mr John Foulkes. Mr John Houlisten** becomes managing director, retail division, in a change which brings together all of the company's retail activities, including UK sales and marketing operations, frozen exports and Young's Chilled Foods activities. Other retail division appointments are those of **Mr Jim Cane** as director of marketing and **Mr Neil Stansfield** as director of sales.

★

Mr Norman Davenport, sales director for magazine papers at LAMCO PAPER SALES, will be leaving the company on July 1 to become marketing director of Caledonian Paper, the recently announced Scottish paper mill. Following his departure, the magazine division at Lamco will be reconstructed as two divisions, one handling coated papers and the other handling SC papers. The coated division will be headed by **Mr John Clinton,** currently assistant director at Finnpap, Helsinki, with responsibilities for coated and uncoated magazine paper sales, and the SC division will be headed by **Mr Peter Littley,** who is currently responsible for the company's tissue paper sales.

★

FIVE OAKS INVESTMENTS has appointed **Mr Trevor Robinson** as non-executive chairman. He was a general manager of the National Westminster Bank and an executive vice-president of Manufacturers Hanover Trust Company. He is currently a non-executive director of TSB England and Wales and a senior consultant to Republic National Bank of New York.

★

Mr Robert Frey will be relinquishing his role as managing director of MONTAGU LOEBL STANLEY at the end of May and will then become a consultant to the firm. **Mr John Tregoning,** a main board director of the Save and Prosper Group, will succeed him.

Chief executive at Ansbacher

Mr David N. Hudson has been appointed deputy chairman and chief executive of HENRY ANSBACHER & CO, from July 1. On the same date he will join the board of Henry Ansbacher Holdings. Henry Ansbacher & Co, is HAH's wholly-owned merchant banking subsidiary. Mr Hudson is head of corporate finance at James Capel & Co, stockbroking arm of the Hongkong Bank Group.

FT LAW REPORTS

Delayed arbitration is not abandoned

THE FOOD CORPORATION OF INDIA v ANTCLIZO SHIPPING CORPORATION

Court of Appeal (Lord Justice Kerr, Lord Justice Nicholls and Lord Justice Bingham): April 7 1987.

AN ARBITRATION which is delayed over several years and lapses into silence and inactivity is not taken to have been mutually abandoned by agreement if there is no clear evidence that the claimant's conduct amounted to an offer to abandon.

The Court of Appeal so held when dismissing an appeal by the charterer, the Food Corporation of India, from Mr Justice Evan's refusal to grant a declaration that an arbitaration agreement between it and shipowner, Antclizo Shipping Corporation, had been mutually abandoned.

LORD JUSTICE BINGHAM said that in the early 1970s the charterer chartered a large number of vessels to carry cargoes to Indian ports.

Several vessels performed a number of voyages. For convenience different charters came to be referred to by the name of the vessel and the serial number of the voyage, for example, Antclizo 1, Cleon 2, and Lepanto 3.

The charterparties all contained similar provisions for calculation of laytime, demurrage and despatch. The charterer and owners took different views on the effect of those provisions. In September 1975 there were 57 charters in which a dispute had arisen. Arbitrators had been appointed in 10 cases.

The present appeal concerned only the charter known as Antclizo.

In October 1974 the owners sent the charterer a calculation for demurrage of nearly \$187,000. No payment was made and arbitrators were appointed in December 1974 and January 1975.

In March 1975 the charterer made its own calculation, applying its own interpretation of the charterparty. It calculated that far from any demurrage being due to the owners, a considerable sum of despatch had been earned by the charterer.

The same differences of interpretation were already becoming apparent on other charterparties and by March 1975 arbitrators had been appointed in respect of Lepanto 1.

Over the next 18 months no step was taken in the Antclizo arbitration, but a series of letters was written concerning other charterers in which the owners suggested settling on the same lines as the arbitration award in Antclizo and Lepanto.

The charterer neither accepted nor rejected the suggestion. For the most part it did not reply.

The Lepanto 1 arbitration appeared to have been resolved by agreement. Meanwhile, Antclizo 1 remained inactive.

But there had been discussion of Cleon 2 and arbitrators were appointed. They were the same arbitrators as in Antclizo 1. In the Cleon 2 the owners' solicitors wrote to the charterer's solicitors stating that there was some suggestion that the parties should agree to be bound by Antclizo. The charterer did not reply but took a technical point on the validity of the arbitrators' appointment. The point was overruled in court proceedings.

While those court proceedings were in train no progress was made with Cleon 2 nor with Antclizo 1. But in November 1979 the charterer agreed to abandon the technical point and to proceed on the merits in Cleon 2. The charterer won on an allowable laytime issue, but lost on the used laytime issue.

Another award in an arbitration concerning the Savvas, was to the same effect as the award on Cleon 2 and was upheld by the court on October 19 1981.

By letter of April 21, 1983 the owners called on the charterer to pay the demurrage and balance of freight due for Anticlizo 1, indicating an intention to proceed to arbitration award if necessary.

On October 31, 1985 Mr Justice Evans refused the charterer a declaration that the arbitration agreement had been mutually abandoned.

There was no power in the court or in the arbitrator to dismiss a reference for want of prosecution (see *Bremer Vulkan [1981] AC 909).* Attempts had been made to show that agreements to arbitrate had been repudiated or frustrated, but they had failed on principle (see *Bremer Vulkan; Hannah Blumenthal [1983] 1 AC 854).*

In *Hannah Blumenthal* Lord Brightman said that delay might lead to an inference that the arbitration had been abandoned "by mutual agreement." He said that "to entitle the sellers to rely on abandonment, they must show that the buyers so conducted themselves as to entitle the sellers to assume, *and that the sellers did assume,* that the contract was agreed to be abandoned *sub silentio.*"

Correctly directing himself in accordance with Lord Brightman's speech, as required by *The leonidas D [1983] 2 Lloyd's Rep 411,* Mr Justice Evans considered whether the owners had so acted that their conduct, objectively considered, constituted an offer.

He concluded that it did not. He said: "It is unrealistic to answer by reference to silence and inactivity alone after 1975, because of the many contemporaneous and relevant dealings which took place between the parties. If those other dealings are taken into account, then the overall picture is one of uncertainty or muddle, and no clear or unequivocal statement of the owners' intention can be said to have emerged."

On the present appeal Mr Buckley, for the charterer, criticised the judge's insistence that the effect of the owners' conduct should be "unequivocal." While a statement must be unequivocal to found an estoppel, he said, the same need not be true of an offer to support a contract. Therefore, the judge was applying too high a standard.

That criticism was unjustified. It was doubtful that the judge meant more than that the effect of the conduct must be quite clear. If conduct was to support an agreement to abandon as the "necessary" *(Hannah Blumethal,* page 914B) or "only possible" *(ibid,* page 923C), or "inevitable" *(Rust v Abbey Life [1979] 2 Lloyd's Rep 334, 340)* inferences its effect could not be less than quite clear.

Furthermore, in *Woodhouse [1972] AC 741* the House of Lords roundly rejected the suggestion that language which was insufficiently clear to vary a contract might yet found an estoppel.

There was no flaw in the judge's conclusion. It was plain that the owners, and other owners, were reluctant to litigate the same points time after time in different arbitrations, so it was reasonable for them to await authoritative decision of the points in some reference, without minding very much which reference it was.

The charterer might reasonably have been expected to take the same view, but it did not. Instead it fought a protracted defensive battle in which it took every point open to it, and which as a result lasted for years. The effect was necessarily, to delay the final resolution of disputes turning on the same points.

When one considered the Antclizo reference, one had to ask whether a reasonable charterer in the position of this charterer would have inferred that these Greek owners, without any *quid pro quo,* were offering to drop a claim which was certainly not obviously bad, which was the subject of other litigation, and which with interest was worth potentially betwen a quarter and half million dollars.

Any answer other than the judge's negative would cause scarcely less surprise in New Delhi than on the Akti Miaouli. Once the first award had been made in the owners' favour on the used laytime point, an offer to abandon would have been even less likely.

The appeal must be dismissed. That conclusion was reached without enthusiasm, not because the result was unjust to the charterer, but because the law, as it stood, seemed ill-suited to promote the expeditious resolution of commercial disputes by arbitration.

Lord Justice Kerr and Lord Justice Nicholls concurred.

For the charterer: Roger Buckley QC and Peregrine Simon (Zaiwalla & Co).

For the shipowners: Anthony Clarke QC and Charles Haddon-Cave (Holman Fenwick & Willan).

By Rachel Davies
Barrister

Ford Motor

Shifting priorities force a realignment in W Europe

BY KENNETH GOODING

IT IS ONE year since Kenneth Whipple took over as chairman of Ford of Europe, an organisation which accounts for about one-third of the group's worldwide business.

He says his arrival was not intended to herald any abrupt changes of direction. But it is now clear that Ford, with its major production centres in West Germany and the UK, had to reconsider its European strategy as the D-mark rose strongly and the pound progressively weakened last year.

At the same time Whipple is a very different personality from Bob Lutz, the man he replaced. Whereas Lutz is known to be a great admirer of the German motor industry and a car "buff" who enjoys getting deeply involved in product development, Whipple's time at Ford has mainly been taken up with finance and strategy.

Whipple has lived up to expectations by speeding up Ford of Europe's search for ways to cut costs and by concentrating on achieving better profitability — to some extent at the expense of sales volume and market share.

The currency realignments have also given him a sound economic reason to take full advantage of the improvements in the performance of the production plants in the UK. More cars are being built in Britain and there is the prospect of exports beginning again for the first time in many years.

Like its arch-rival, General Motors of the US, which owns Opel and Vauxhall in Europe, Ford will move some of its component sourcing away from West Germany, a country suffering from a high-priced currency and metalworkers union currently determined to reduce working hours in the belief that this will help cut unemployment in Germany.

Lutz left Whipple with a reasonable base on which to build. Last year Ford, second-largest of the world's automotive groups, increased net profits in Europe by 71 per cent to $559m after earnings more than doubled to $362m in 1985.

Whipple is so sure that there is further profit growth to come that he has committed Ford to investing $7bn in Europe in 1988-92, a respectable increase on the $5.5bn in the previous five-year period.

Ford's current financial situation has changed markedly in the past few years. The European operations, which provided welcome earnings and loans when the group's North American business suffered severe losses at the end of the last decade, took a serious turn for the worse early in the 1980s.

One important factor was that the Sierra, a medium-sized car which replaced the Taunus in Continental markets and the Cortina in Britain and is Ford's major model in the family-saloon and fleet sectors, met with mixed response when it was launched in 1982.

Financial support

Ford could not afford such an important car to be unsuccessful and piled in with financial support at a time when competitive pressures and marketing costs in Europe were already very steep.

European profits, already on the slide from the peak $1.2bn in 1979, fell to a marginal $147m in 1984. In that year Ford sent Lutz back to the US. As chairman of Ford of Europe between 1979 and 1982, he had taken a great personal interest in the development of the Sierra.

By the time Lutz was recalled to the Ford headquarters at Dearborn in March last year, European profits were already recovering strongly — and acceptance of the Sierra was gradually growing.

But Lutz, 55, had lost a power struggle with Harold "Red" Poling, the Ford president. Lutz was given Ford's North American truck operations to look after — a clear demotion — and not long after that he left the group to join Chrysler.

Whipple, 52, was a surprising choice to replace Lutz because, to use his own words, Whipple had never been involved in "metal bending" — a background previously considered essential for the Ford of Europe chairman. He joined Ford as a financial analyst in 1958 and held positions in international finance and Ford Motor Credit, where he was chief operating officer, before becoming vice president, corporate strategy in 1984.

His arrival at Ford of Europe's headquarters at Warley, Essex, followed that of Alexander Trotman, drafted in as president. Ford hopes the two men will provide a nice balance of skills to direct its European business because Trotman is an automotive operations man who has been a car product planner and at one stage in his career was responsible for Ford of Europe's truck operations.

Ford sold a record 1.5m vehicles in Western Europe in 1986, including 1.35m cars, but total demand was so buoyant that its market share slipped a little, from 11.9 to 11.8 per cent leaving Ford in third place among the European producers behind the Volkswagen-Audi-Seat combine and Fiat.

However, the lessons of 1984, when Ford won European car market leadership for the first time but made only a marginal profit, have been learned.

As Whipple puts it, "the managers of Ford's European subsidiaries are not knocked on the head if they lose one-third of a point in market share. But if margins fall we want to know why."

He says Ford this year has "a major market share opportunity" in Britain. The Sierra, after several changes, including a recent major revamp and the introduction of a version with a boot or trunk, is now doing much better and its main rival, the Vauxhall Cavalier (sold on the continent as the Opel Ascona) is nearly at the end of its life. "We have space until the new Cavalier comes along."

So most of the volume sales improvement Whipple expects in 1987 will come from Britain "with a nudge from a lower base from Germany."

The bulk of Ford's European expenditure will be made in those two countries but investment will also continue in Spain to upgrade facilities and improve productivity there.

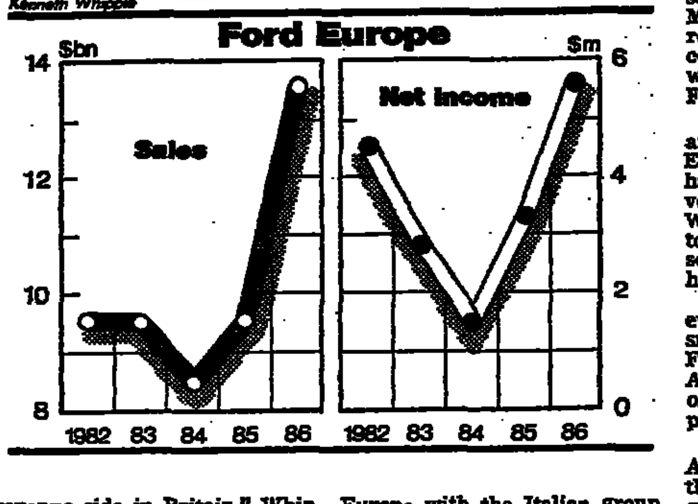
No new plants are included in the $7bn investment plans but Ford will get incremental capacity from factory modernisation and from increased productivity.

Whipple's faith in a brighter future springs partly from the fact that productivity is improving throughout Ford's European operations — though to some extent at the cost of further substantial reductions in the European workforce.

As the West European car market is not growing very fast —at a maximum of 1.5 per cent a year—the Ford workforce in Europe will continue to shrink. Since 1979 the total employed has dropped by nearly one-third, from 147,000 to 101,000, and, although the pace might slow slightly the reduction will continue for some years.

Because of the difference in pay rates, Whipple has little doubt that the UK factories eventually will get the cost per car down to the level Ford achieves in West Germany.

Kenneth Whipple



Quality gap closing fast

But productivity measured by the output of cars per man per year will remain ahead in Germany, he predicts. The quality gap between the two countries is closing fast, however, and the proposed UK export programme depends on that gap being almost completely eliminated.

Ford's plans call for exports of about 50,000 cars annually from the UK to continental markets starting in about two years' time.

Like GM, which also imports a great many cars for Vauxhall to sell in Britain, Ford has suffered from the sharp increase in the value of the D-Mark in the past year. "We are heavy on the cost side in Germany and heavy on the revenue side in Britain," Whipple admits.

Ford is therefore taking action to limit the damage by encouraging German suppliers to relocate some plants in other countries. Whipple adds hastily: "It won't be a disaster for Germany. It simply makes good economic sense for us to source just a little more outside Germany."

Ford is also hoping to cut development and production costs for important items such as engines, transmissions and even car platforms by sharing with other European companies or with Ford in North America and Mazda, the group's 25-per-cent-owned Japanese associate.

In that way Ford might achieve piecemeal what it once hoped to do in one fell swoop by linking with Fiat in Europe.

The group's attempt to set up a joint organisation in Europe with the Italian group, which would have offered scale economies as well as giving the combined group domination of the European car market, failed before Whipple's arrival in Europe in March last year.

Two other attempted acquisitions—each designed to give Ford a prestige marque to use in Europe and elsewhere—came to nothing.

In Britain a brief flirtation with Austin Rover (which would have brought with it the MG badge) was ended by an upsurge of anti-Americanism.

Then, after the Italian Government offered Ford the chance to take state-owned Alfa Romeo off its hands, Fiat stepped in and snatched Alfa away.

Although these experiences tend to confirm the old adage about Ford in Europe—that it operates everywhere but belongs nowhere—Whipple does not seem bitter. He rules out another approach to Austin Rover. "Nobody at Ford is giving it any thought these days."

Whipple says the Alfa exercise was helpful for Ford. "It showed we could do the business analysis required. We had 100 people working on the project at one stage. You do not get that kind of practice very often. It makes the effort needed for a component joint venture seem simple."

One deal did come off last year. Ford eased its way out of its medium and heavy truck business in Europe by selling it to a new joint company in which Fiat's Iveco commercial vehicle subsidiary is the other partner, has management control and will take responsibility for providing future products.

Offloading this loss-making business helped towards the profit improvement last year. But Whipple dismisses suggestions that Ford of Europe will substantially expand links with Mazda in the search for higher returns. He says the Japanese company is extremely stretched working for North American Ford.

At one time there were fears among Ford engineers in Europe that the company would hand over all small car development work to Mazda. But Whipple says Ford has decided to keep the capability to "do something of everything in-house."

It would make sense, however, for the main burden of small car development to fall on Ford of Europe and for North America to concentrate mainly on developing large cars, he points out.

Trade between Ford in North America and in Europe is on the increase already. Once engineering bottle-necks are opened up, the Dearborn plant in the US will be sending 100,000 car engines a year to Europe.

In return Europe is exporting from Germany sporty versions of the Sierra and, shortly, the Scorpio/Granada for Ford's new Merkur franchise in the US. This programme is "not super-important to Europe but it might be if we get the volumes rolling. It is a profitable programme but not a major cornerstone," according to Whipple.

He would also dearly like to see Ford of Europe exporting high-value items such as engines or transmissions to Japan.

The revaluation of the yen has made such a project feasible and Whipple suggests: "We could do it in the next couple of years."

Management abstracts

Taking Action Against Addiction by E MacCarthy in Chief Executive (UK), November 1986 (2½ pages)

Argues that most managers turn a blind eye to growing evidence of alcohol and drug abuse in the workplace—from the boardroom to the shop floor. Reports, however, signs that some organisations are taking it seriously; outlines policy reviews and action being taken by the North Eastern Electricity Board, Wiggins Teape (paper manufacturer), and GEC. An inset tabulates warning signs/behaviour patterns that point to abuse.

Equitable salary administration in high-tech companies. P. F. Moran in Compensation and Benefits Review (US), Sep/Oct 86 (10 pages)

An almost textbook presentation of a system designed to mitigate against the effects of rapid pay rise in the early years of an employee's career in a high-tech occupation; notes that problems such as market lag can often creep in, and so advocates multi - level job structures (several salary grades), into which employees are promoted dependent on their professional maturity and the state of the labour market.

How do merit bonuses fare? J. W. Hathaway in Compensation and Benefits Review (US), Sep/Oct 86 (18/5): p 50 (6 pages)

Based upon the theoretical application of a merit bonus system for middle-ranking employees in an insurance company, examines its advantages in terms of encouraging performance. Considers that replacing salary increases with merit bonuses will benefit in several ways, e.g. if an employee's performance should deteriorate, the company is not left paying out a high salary.

Profit and participation. P. Spooner in Chief Executive (UK), Nov 86: p 40 (2½ pages)

Examines the employee participation scheme (now 10 years old) operating at H. P. Bulmer, the Hereford-based cider maker. It takes the form of an elected council representing employees, shop stewards and management, which deals with matters directly affecting employment, and a profit-sharing scheme based on an annual share distribution. Describes how the scheme survived despite setbacks following a drop in sales

These abstracts are condensed from the abstracting journals published by Anber Management Publications. Licensed copies of the original articles may be obtained at a cost of £4 each (including VAT and p & p; cash with order) from Anber, PO Box 23, Wembley HA9 8DJ.

Contracts and Tenders

ALGERIE - الجزائر
ENAPAL

NOTICE OF INTERNATIONAL INVITATION TO TENDER (No 22/87)

The Entreprise Nationale d'Approvisionnement en Produits Alimentaires (National Food Supply Company) "ENAPAL" is launching an international invitation to tender for the supply of:

2,000 tonnes and over of processed Cheddar cheese to be used in the manufacture of cheese spread.

Interested companies may collect the specification against payment of 200 DA (two hundred Algerian dinars) from ENAPAL, 29 Rue Larbi Ben M'Hidi, Algiers.

Tenders in duplicate together with the statutory documents should be sent to the above address in double sealed envelopes, the outer envelope bearing the following wording only:

"Appel à la Concurrence Internationale No. 22/87, à ne pas ouvrir (International Invitation to Tender No. 22/87, do not open).

The final date for submission of tenders is fixed at 15 days from the date of publication.

Tenderers will be committed to their tender for a period of 90 days from the closing date of this invitation which is addressed only to producers and bodies specialising in marketing in accordance with the provisions of Law No. 78/02 of 11 February 1978 relating to state monopoly on overseas trade.

anep/alger

Company Notices

NOTICE TO BONDHOLDERS
CITY OF COPENHAGEN
30,000,000 European Units of Account
7% 1978/1993 Bonds

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that nominal UA 200,000 have been purchased for the Purchase Fund during the twelve-month period from May 2, 1986 to May 1, 1987.
Amount outstanding: UA 18,390,000
Luxembourg, May 6, 1987

The Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

US$100,000,000 CREDIT DU NORD
6% NOTES DUE MAY 8, 1994

NOTICE IS HEREBY GIVEN that the first interest payment due May 8, 1987 covers 333 days from June 5, 1986 to May 8, 1987 and that therefore the payment will be US$740 for each note of US$10,000 denomination and US$74 for each note US$1,000 denomination rather than US$800 and US$80 respectively as printed on the first coupon of each note.

CYDSA, S.A.
FLOATING RATE NOTES
DUE 1988-1991

NOTICE IS HEREBY GIVEN that for the Interest Period commencing May 7th, 1987, the Notes will bear interest at the rate of 9¼% per annum. The interest payable on August 7th, 1987, against Coupon No. 11 will be US$23.159722 per U.S.$1,000 Nominal.

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THE ARTS

Whistle Stop/Bush Theatre

Michael Coveney

People Show No 92 is a co-production with the Bush and, like all their best work over the past 21 years, it has a coherent storyline and exudes a sense of blithe euphoria. We all grow older and I dare say Mark Long and his troupe are unlikely to revert to such early japes as jam-smearing, wholesale nudity or paint-splashing.

This is not to say that the People Show has grown soft. But there is a contagious mellowness about *Whistle Stop*, a beguiling mix of *hommage* to such train movies as *Murder on the Orient Express* and *The Lady Vanishes*, and of the blues and Tin Pan Alley songs that evoke the great days of the American railroad.

The characters assembled on board the Chicago-bound "Chattanooga Choo Choo" include Count Hipsburg (Chahine Yavroyan) and his dummy mummy bent on avenging the assassinated Trotsky; a large Irish poker player who is planning the perfect murder; the pianist "Scoot Johnson" from Benny Goodman's band; and Selina Sleek, a *femme fatale* with a healthy sexual appetite whom Charlie Dore presents as an intrigued but impatient outsider, at one point storming off to complain to her agent about the lack of what she would call professionalism.

The Irishman is played by Jeff Nuttall, lending this anniversary show a special nostalgic provenance by returning to the group he founded with Mark Long in 1966. Ever the portly Dadaist, Nuttall now resembles most of the Behan brothers rolled into one chaotically suited man mountain with a pudding basin haircut. He sings blues and country music with startling passion, and blows a mean trumpet in those joyous interludes led by George Khan on saxophone (the unlikeliest train guard ever) and newcomer Liam de Staic on keyboard or trombone. Quietly ushering the proceedings along from the side is Alan Hill on electric guitar, plugging the action and the standards of Harry Warren, Jimmie Rodgers and Bud Green with his own stomps, boogies, rags and love-calls.

Short, but perfectly proportioned, the show is held together by Mark Long as a hapless squaddie from Ilford who thinks he is going to Scunthorpe, which sounds like some nightmarish proverbial progress from frying pan to fire. Long is Lionel Higgins, an escaped hospital patient with an unassuaged grievance related to his stolen cigarette card collection, his anguish expressed in a torrential, vivid one-man re-creation of the Stanley Matthews Cup Final of 1953.

The death of Trotsky to the Matthews Final is a jump of 13 years, but the plot overcomes seeming inconsistencies through its outlandish juxtaposition of resonant images: the sight of Trotsky's smitten head in a hatbox; the substitution of one body in a winding sheet with another to resolve the murder threat; the girl-clinching heroism of Lionel/Long as he pulls together two carriages uncoupled (and ravishingly under-lit) by the dastardly poker player.

Finally, the show is about how we use memory to lament the present, and in this respect Lionel's playground anger is no different from a Russian soldier's pre-Revolutionary nostalgia. Jeff Nuttall once described his performance art interventions as "punching holes in reality"—a string of pink bicycles across a grimy Bradford landscape, for instance. The People Show punches reality in holes of jazz and theatre and, on this seductive form, short-circuits the objection that we, and they, have been here before.

Weekend concerts

Dominic Gill

Piano concertos were the high points of both the English Chamber Orchestra's concert under Jeffrey Tate at the Festival Hall on Saturday, and the London Symphony Orchestra's Mozart and Ravel programme under Jerzy Maksymiuk at the Barbican on Sunday.

Mitsuko Uchida was the soloist with the ECO in Chopin's E minor concerto—a luminous crystalline performance, remarkable for its delicacy and poise, absolutely unrelenting from first to last in its forward movement. Nothing was laboured, nothing over-sweetened; every gesture went directly and cleanly to its mark. The Romanze was exquisite, illuminated with much ravishing detail, but unfolded without a hint of preciousness. The finale was a brilliant cloudburst of dance and colour. In Chopin especially such quiet, brittle sensuality is as refreshing as it is unusual—if one is to suppress the more traditional languorousness (and there is every reason that one should), I can't think of a more beautiful way of playing the E minor concerto.

At the Barbican the following evening the Korean pianist Kun Woo Paik gave an impressive account of Ravel's left-hand concerto with the LSO. Mr Paik has exceptionally strong wrists and fingers, and he wound the music taut as a spring without fading, or letting go, for a second. It is no mean physical feat to finish the second cadenza with as much force and pungency as one had begun the first: but Mr Paik managed that with smooth authority, sustaining a massive crescendo, apparently with plenty of power still in reserve. The sonority was bright, generous, attractively firm. His account earlier in the programme of Mozart's D minor concerto K466 had been a little more inscrutable, forthright rather than subtle, a degree or two less polished — although his delivery of the cadenzas (both Beethoven's) showed a classical sensibility that could keep its poise nicely in the middle of a storm.

The LSO under Jerzy Maksymiuk also gave Ravel's *Pavane pour une Infante defunte* slightly, but crucially, too fast—a few metronome degrees up the scale and the theme ceases to float; and his *La Valse* with irrepressible, manic vigour. The ECO's account of Mozart's Jupiter symphony the previous evening under Jeffrey Tate got better and better as it progressed: the finale was a joy—although I still find the lightweight bass sonority which Tate favours sometimes tiring on the ear. In the Festival Hall's acoustic, bass needs a boost, not a damper.

Ann Murray and Phyllis Bryn-Julson

Stravinsky & Ravel/Covent Garden

David Murray

A slightly grudging welcome back for the Royal Opera's Stravinsky/Ravel double bill: it still looks like a missed opportunity David Hockney's designs—child's-eye *chinoiserie* for Stravinsky's *Nightingale*, child's-hand smudges for the magical fauna of Ravel's *L'Enfant et les sortilèges*—are only beta-plus, and John Dexter's production neither capitalises upon their virtues nor compensates for their failings. The scores, of course, are wonderful, and at later performances David Atherton will surely get the orchestra into order. On Monday there was a lot of indifferent playing (under-rehearsed?), and Atherton hustled through Stravinsky's Imperial Court music without a hint of irony, barbaric pomp or any interesting alternative.

The only urgent reason for going is Ann Murray's *Enfant*, pugnacious and vulnerable and sung with the art that conceals art. I would go a long way to see her in a Ravel production that matched her standard. Around her are many admirable singers, most of them hobbled because they are permitted *only* to sing, whilst dull mimes enact their roles in knockabout. Thus constricted, Phyllis Bryn-Julson sings a gracious Princess and an effective Nightingale; as the coloratura Fire, which she is allowed to *perform*, she looks and sounds cautious. Felicity Palmer and David Wilson-Johnson are professional in multiple roles, like Robert Tear and Alfreda Hodgson, but they don't bring off the feline joke in the cod-*Tristan* cats' duet.

For Stravinsky's Nightingale Miss Bryn-Julson offers the cool, liquid ease for which we love her—but again at the edge of the stage; and this time the visual Nightingale and the Fisherman are danced by pretty *jeunes premiers* from Paris (Claude de Vulpian and Charles Jude), which ensures that the vocal music becomes mere accompaniment to Ashton's twitchy choreography (can he have *listened?*). His factitious 19th-century additon of a love-interest between those characters not only spoils them (and with no support from the score misfires dramatically), but defeats the crucially poignant relation between Nightingale and Emperor. Though the Fisherman is sung by he omnicompetent Robert Tear, it was frustrating to see Philip Langridge—who was unforgettably right *last* time—in the audience instead of onstage.

The Emperor, a short but potent role, requires more weight and authority than Wilson-Johnson lends him. The lesser parts are cast from strength—Miss Palmer's Cook is particularly vivid—but underproduced: Hockney's wry jokiness isn't carried through in the action, nor does any other guiding idea make itself felt. *L'Enfant* suffers more, for the nervy, sophisticated delicacy of number after number is translated into Gang Show terms. No frisson of menace, no magic—least of all in the transformation from domestic interior to eerily pulluating garden, where the disappointing Cats' Duet, the assignment of Ravel's counterpoint-of-all-nature whisperings to a uniform vegetable chorus, flat lighting and an inept piccolo conspired to waste the effect altogether. At least the benedictory final chorus, roughly begun, was kept faultlessly on pitch and tugged properly at the heart-strings.

Star Turns/Croydon Warehouse

Claire Armistead

Maybe it is the effect of David Bowie belting out the early seventies number Starman in the background, or perhaps it is the peculiarly post-hippy resonance of a suburban des. res. plastered with a huge astrological mural, but either way Steve Gooch's *Star Turns* hits the stage like a blast from a middle-distant past—not altogether inappropriately since this premiere is the tenth anniversary production of the Warehouse theatre.

Gooch, who is playwright in residence at the Warehouse, made his name in the early days of the Half Moon with a series of shows the most enduringly successful of which was *Female Transport*, about women convicts being shipped into exile. Here again he plants women in the foreground, though *Star Turns* is an altogether gentler and more flippant look at the games people play when all is not quite right with their worlds. Chief players of the piece are Linda, Bren and Elaine, three friends whose disaffection with the male of the species and interest in astrological types leads them into a quest for the perfect man. They arrange a party at which they plan to enact the influence of the planets on their hapless male guests. Unfortunately word gets around and only one guest arrives—the easy-going, reliable and none-too-perfect Doug.

But things, Gooch is at pains to point out, ain't what they seem: from his entrance as benignly grinning, edgy object of unexpected attention Doug (Terence Booth — excellently cast) assumes a kind of control, bringing out the petty jealousies between his three inquisitors. Linda (Heatther James), the glamorous grass-widow of a laddish football fanatic, finds herself increasingly edged out of her accustomed niche centre-state, while Elaine and Bren—the former intense, moon-faced; the latter, vivacious joker of the pack—get down to the serious business of sorting out their rival claims to Doug's affection via a comic costume parade where each woman dresses up as a planet.

I found myself a little perturbed by the plotting contrivances (did Linda really think her husband would remain ignorant of the fact that she had invited their male friends around in his absence ?). More seriously, though, what is missing from the play, and from Ted Craig's happy-go-lucky direction, is any hard core to transform these people into characters with real neuroses and real bitternesses to load their confrontations and fuel their quest for inevitably non-existnet perfection. The sparks between Carol Burns' Bren and Eithne Hannigan's Elaine never really catch light; and the final oration by Doug — that he is as bored as *they* are *with* the male obsession with machismo and hunting in packs — seems oddly disembodied from a play the entire action of which stems from woment doing just that.

Television/Christopher Dunkley

From print to screen

As a newspaperman I observe with regret the passing of the initiative in journalism from print to screen. For more than a decade polls have been showing that most people now nominate television as their main source of news. To many at the more serious end of the business that has not seemed too significant since it appeared to mean, largely, that people who had previously taken a light diet of news from tabloid newspapers now took it from television. Sales of broadsheet papers have been remarkably healthy during the television age.

Furthermore, figures produced by Professor Jeremy Tunstall at London's City University suggest that television's "main source" claim may rest upon doubtful foundations. He says that whereas only 45 per cent of adults watch a daily television news programme with any care, 85 per cent read a morning or evening newspaper and spend an average of 30 minutes or more doing so.

Yet it remains clear and undeniable that for many years television's evening news programmes have been pre-empting the national daily papers in the breaking of major news stories. Reactions in Fleet Street have varied. The tabloid papers, having originally feared and resisted the development of popular television for commercial reasons, have now adopted it as a main selling point. Soap opera scandals and showbiz chat have become central elements in a package which frequently offers more light entertainment than serious journalism. The broadsheet press has turned increasingly to the supply of background and analysis which television often lacks, and may even have gained circulations as a result.

There is still a lot of muscle in newspapers. This pink one, for a start, goes from strength to strength, helped by the stock market boom, the coming of the age of information, and the fact that television still cannot really compete with its highly specialised service. Last week The Independent scooped everybody — television included — with its material about Peter Wright and MI5, and television series such as *This Week* used the Independent's story as the starting point for their own programmes. Despite the growth of electronic information stores and video libraries, newspapers still provide much the largest data bank for television and radio.

But whatever the surviving strengths of the Press, it is increasingly clear that television, having established a firm beach head in daily news, is now beginning to annexe the surrounding countryside. There was a time when it was believed in Fleet Street that investigative journalism was a newspaper's answer to television's advantage in speed. Yet today when you look across the full spectrum of British journalism the most interesting investigative work is being done, more often than not, by television.

Looking back only as far as April, BBC programmes such as *12 Minutes Over Tripoli* and the *40 Minutes* item "Street Girls" come to mind. The first showed in detail why the US chose to attack Libya and Colonel Gaddafi rather than Syria and President Assad (it was easier and less dangerous) and the second investigated teenage prostitution in Birmingham.

In the same month ITV brought us *The Falklands War: The Untold Story* which included interviews with people such as the commander of the Belgrano and an Argentine infrantryman as well as British military men and politicians; *The Sword Of Islam* which sought to explain the growth of Muslim fundamentalism; and two programmes in the "Viewpoint 87" slot, *Thy Kingdom Come* and *Thy Will Be Done*, in which Antony Thomas drew a terrifying picture of Christian fundamentalism in the US. Among the Channel 4 offerings was *Last Of The Hunters*, a fairly conventional but excellent documentary about Scotland's purse-seine fishermen who are vacuuming haddock and cod out of the sea at an alarming rate.

None of these subjects is inherently better suited to television than newspapers, and no doubt some (perhaps all) have actually been investigated by the Press. However, monitoring of the papers suggests that even though these topics may be the subject of regular features, newspapers put in neither the budgets nor the effort necessary to keep them on level pegging with television these days.

London Weekend Television, having made a most unusual programme called *Tomorrowland* concerned not with the problems of declining industry in the north of England but with the problems of the boom in the south (not least the question of how to use that success to the benefit of the entire nation) decided that there were lessons to be learned in the Ile de France.

> "... it is increasingly clear that television, having established a firm beach head in daily news, is now beginning to annexe the surrounding countryside."

So they hired an aeroplane, a chateau and a fast coach and got producer Jill Robinson to whisk 15 people from industry, politics and academe—and, incidentlly, three observers from newspapers including me —over to France for a long weekend to inspect the planning and structure of the Ile de France region and then sit round a table and discuss the implications for south-east England.

The result, when screened on Friday was, ironically in view of all the trouble they went to, less effective than the original programme. Before the talking began the viewer needed a clearer idea of what had been achieved in the Ile de France. And yet anyone who had not previously appreciated that there were any particular links between, say, rented accommodation, fast transit systems and industrial regeneration could have spent an eye-opening hour watching this discussion. Furthermore, there was, as chairman Brian Walden pointed out, an encouraging degree of consensus among a pretty disparate crowd of people about the way forward.

The point I really want to make, however, is that it is impossible to imagine any newspaper today undertaking such a venture, even though a broadsheet would be a very suitable medium, given the sheer weight of words involved.

The environment — a word which now embraces the concept of "spaceship earth" and the conditions in which we all live—is another crucial area of contemporary concern in which television is, again, increasingly dominant. Not only did Michael Buerk and the BBC News department reveal yet another African famine to us last week, this time in Mozambique, but television seemed better prepared than Fleet Street for the Brundtland Report.

In three programmes called *Only One Earth* BBC2 covered an astonishing amount of ground: the "desertification" of Senegal thanks to over-grazing and the trees being destroyed for firewood; the razing of tropical forest in Mexico; the fishing-out of the North Sea—those purse-seiners again; the Japanese obsession with wood and the consequent felling of timber in the tropics; Panama's rainfall reduction with difficulties for the canal owing to the destruction of rain forests and the increase in ranching; and finally some hopeful notes such as the development of the winged bean, the successful farming of fish, and unprecedented international co-operation to find and save the wild cow in South East Asia.

There is much here of a visual nature to help television, but no difficulty for a newspaper wishing to cover the same subjects. Yet even with the Brundtland Report for inspiration, Fleet Street's efforts were considerably less impressive.

On top of all this there is an increasing attempt in television to produce the sort of journalism in which the nature of the electronic medium *is* a distinct advantage. So in addition to all the conventional approaches which television has adapted from print to radio or cinema, they are now mounting such programmes as *Moscow Link-Up* in which a studio full of Londoners talked last Tuesday via satellite to a studio full of Muscovites.

Then, on Friday, as part of its move into the far reaches of the night, Channel 4 launched *After Dark*, a relaxed — nearly uncontrolled — armchair discussion which continued until 2.45 and, to my surprise, kept me up until the end. The subject was secrecy, the participants included Clive Ponting, Peter Hain and Colin Wallace, and the result was far more compelling than either a chat show or one of those studio discussions with a pushy chairman anxious for disagreement.

It was only a minor modification of a well tried form. But in a week when the British establishment's obsessive secrecy was once again the topic of frustrated investigation, it proved a highly effective way of airing the subject.

It also represented one more step along the road from print to screen.

LPO/Festival Hall

David Murray

Last year the young Austrian conductor Franz Wesler-Möst made a favourable impression here, and on Sunday he did much more than confirm it when he stepped in to replace Klaus Tennstedt for Brahms' *Ein Deutsches Requiem*. The impression was made by the music, not by an podium-ballet: Wesler-Möst demonstrated a thorough understanding of the score without fuss, and achieved a notably moving performance.

The consolations of the Requiem had a sustained glow, for the conductor kept whole sections of the music in a long, steady perspective that belied his years. There was a great deal of genuinely soft playing, always smoothly detailed and beautifully balanced. The grand climaxes, well prepared, lacked nothing in power but were free of violence(the *ff* returns of "Denn alles Fleisch," the triumphant double fugue and the earlier assurances of salvation).

The *London Philharmonic* Choir were secure and alert (there was a touch of hardness in the soprano tone, but impeccably sympathetic intentions). The essential personal note was added by the baritone Jorma Hynninen, whose authoritative sincerity could not be bettered; Barbara Bonney, a last-minute replacement, offered a light, pretty sound in "Ihr habt nun Traurigkeit" but nothing more.

All praise to the LPO for daring to begin the concert with a contemporary work: if it seemed a gamble, it was an entirely successful one. George Benjamin conducted his own *Ringed by the Flat Horizon*, the piece that drew early attention to him. Like Oliver Knussen, he is as precociously expert a conductor as he is a composer. He elicited haunting sonorities from the orchestra, rendered the ingenious structure of the work utterly lucid, and shaped its dramatic development with a confident hand.

Saleroom/Annalena McAfee

Record prices for works by 18 contemporary artists were paid at Sotheby's two-day sale in New York, which ended yesterday. The sale made a total of \$18,906,800 (£11,187,455) with 11 per cent left unsold. The top lot was Willem de Kooning's "Pink Lady," a portrait in oil and charcoal on panel, which fetched £2,147,928—a joint record price for any contemporary painting. Jasper John's "Out the Window" was sold for the same price in November last year, also at Sotheby's New York saleroom.

Another de Kooning, "Woman," sold on behalf of Playboy Enterprises Corporate Collection, was bought for £1,497,041 by a Japanese property developer, Mr Ohkawa.

A record price was also paid for a painting by Jackson Pollock. An anonymous buyer paid £1,627,218 for Pollock's "Number 26, 1950," an oil abstract on masonite, which was also sold on behalf of Playboy Enterprises.

Prices for works by British artists David Hockney, Anthony Caro and Howard Hodgkin also set new levels. Hockney's oil "Egyptian Cafe," painted in 1978, more than trebled its estimate of between \$70,000 and \$90,000 by selling for \$341,000 (£201,775). The previous record for a Hockney was \$275,000.

Anthony Caro's steel scu'ture "Back Cover Flat," sold for \$85,250 (£50,443), trebling the artist's previous record. Howard Hodgkin's "Reading" sold for (\$121,000) £71,597, setting a new record for his work.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 1–7

Theatre

LONDON

Les Liaisons Dangereuses (Ambassadors): Christopher Hampton's masterly version of Laclos' epistolary novel is sexy, witty and wise, like a collaboration between Marivaux and de Sade. Howard Davies's sell-out pre-Revolutionary production for the RSC has moved from the Pit.

The Phantom of the Opera (Her Majesty's): Spectacular but emotionally nutritional new musical by Andrew Lloyd Webber emphasising the romance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Hal Prince's alert, affectionate production contains a superb central performance by Michael Crawford. A new, meritorious and palpable hit. (839 2244, CC 379 6131/240 7200).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

The House of Bernarda Alba (Globe): Lorca's last tragedy in a successful production transferred to the West End from Hammersmith. Nuria Espert, veteran Spanisch actress/director, has drilled a high-calibre cast led by Glenda Jackson and Joan Plowright into a near-authentic portrayal of steam frustration in an all-female household oppressed by both traditional catholicism and the peasant class system. Ultimately it's all a bit British, but the company provides a roll-call of some of the best actresses around – all eclipsed by the ineffably touching Julie Legrand. (437 1592).

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

I'm Not Rappaport (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popularity for the two oldsters on Central Park benches who bicker uproariously about life past, present and future, with a funny plot to match. (239 6200).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (246 0220).

The Mystery of Edwin Drood (Imperial): Rupert Holme's Tony-winning resurrection of the unfinished Dickens classic is an ingenious musical with music-hall tunes where the audience picks an ending. (239 6200).

Les Miserables (Broadway): Led by Colm Wilkinson repeating his West End role as Jean Valjean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pagenatry and drama, if not strict adherence to its original source. (239 6200).

Starlight Express (Gershwin): Those who saw the original at the Victoria in London will barely recognise its American incarnation: the skaters do not have to go round the whole theatre but do get good exercise in the spruced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trumped-up silly plot. (586 6510).

CHICAGO

Tempest (Goodman): Company artistic director Robert Falls directs Denis Arndt as Prospero in a new production with sets by Adrianne Lobel. Ends May 29.

Pump Boys and Dinettes (Apollo Center): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (935 6100).

WASHINGTON

Ourselves Alone (Arena): American premiere of Anne Devlin's drama of three women trying to balance personal and political conflicts in Northern Ireland stars John Leonard, Heather Ehlers, Randy Danson and Christina Moore, directed by Les Waters. Ends May 10. (488 3300).

Kennedy Center: Imagination Celebration 1987, a nearly month-long pageant of mime, music and dance centres round a production of A Child is Waiting, about disabled children, along with two presentations of the myths of North American Indians. Ends April 29. (254 3600).

Opera Comique (Eisenhower): Anne Jackson and Eli Wallach star in Nagle Jackson's new comedy. Ends June 6. Kennedy Center (254 3670).

TOKYO

As Is: William M. Hoffman's sensitive and well-received play about AIDS. Already staged in New York and London, this Japanese version (translated by Koji Numazawa) represents a brave attempt to acknowledge the disease. Most Japanese deny its existence or blame foreigners, explaining its fictional absence by the usual island-country theory and superior sexual mores. Directed by Tetsuo Arakawa, lead actors are Kunio Murai and Taisaku Akino. Sunshine Theatre. Ikebukuro. (*Mon to Thur*). (545 1911).

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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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Wednesday May 6 1987

Some choice in South Africa

WHITE South Africa goes to the polls today under inauspicious circumstances. A state of emergency, the detention of some 28,000 people, and the muzzling of the press do not create a suitable climate for a debate about the country's political options.

None the less, the four-month campaign may have had a relevance to South Africa's future which President P. W. Botha might not have expected. It has widened rather than reduced the divisions in Afrikanerdom and given at least a glimmer of hope about the prospects of a moderate white alliance so urgently needed in the face of deepening black pessimism about prospects for constitutional change.

As electioneering got under way the statements by Mr Botha and his candidates have served only to reinforce scepticism about the nature of the ruling National Party's commitment to change.

Iron fist

In the course of the campaign, the National Party has reaffirmed its plans to keep *some of the pillars of apartheid.* Segregated residential areas are to stay. Voters' rolls for the country's racial groups will remain separate. The four black homelands are described as irreversible realities.

The threat from the far right has been handled in the traditional way—a policy of kragdadigheid (iron fist) at home and abroad which began in May last year when the Government undermined Commonwealth peace efforts by raiding alleged ANC military targets in neighbouring states.

Mr Botha and his ministers continue to talk of reform, but there is no evidence to suggest that he and his party are capable of initiating a process of fundamental change which must begin with the release of Mr Nelson Mandela, the jailed African National Congress leader, and other political prisoners.

The encouraging feature of the past few months, however—in addition to the judiciary's rulings on the illegality of some of the emergency legislation—has been the emergence of the three independent candidates, including Dr Denis Worrall, the former ambassador in London, who have broken away from the National Party. They have been joined by a growing number of prominent Afrikaner academics, journalists, churchmen, businessmen and sportsmen. Yet even here the initial optimism about a significant new force in white South African politics is tempered by their performance.

The independents are pledged to the creation of a just society, but how they intend to achieve it, and just what they stand for, is obscure.

Important choice

Meanwhile, the rumblings from black South Africa continue. The Government may have succeeded, at least temporarily, in curbing the effectiveness of the United Democratic Front, the country's largest legal anti-apartheid alliance, by rounding up most of its leadership. The result, however, can only be to drive black opposition further underground and more likely to turn to violence. At the same time, blacks are making greater use *of their growing trade union* power, as this week's two-day national strike illustrates.

Yet even in these bleak circumstances, white South Africans are able to exercise an important choice today—notwithstanding the probability that the National Party will win a comfortable victory. They can return to the rigid divisions of old-style apartheid as proposed by the Conservative Party and the Herstigte Nasionale Party. They can opt for the modernised version of apartheid under another name put forward by President Botha. They can cast their votes for the Progressive Federal Party and the independents in the hope that a strong showing will encourage more defections from the National Party (including MPs who may be prepared to cross the floor in the new parliament) and end the stalemate of white South *African politics.*

From this last option could conceivably emerge a new moderate alliance of whites, including many of the country's leading businessmen, seeking to create an equitable South Africa.

A tax challenge for Lloyd's

CRISIS MANAGEMENT has become almost habitual at Lloyd's of London. This is not good for Lloyd's. It could also be dangerous for the future of the London insurance market as a whole.

Two current problems have left the 240 Lloyd's underwriting agencies in a mood of agitated uncertainty.

One of them—the PCW affair—is a horrid mess. The final resolution lies at least six weeks away, when some 1,500 underwriting members of Lloyd's (names) have to accept or reject an expensive out-of-court settlement as a way out of net underwriting losses of £235m.

The second surrounds the Inland Revenue's decision to give itself an undisputed right to challenge the "reinsurance-to-close" calculation made each year by the 450 Lloyd's syndicates.

Paradoxically however—provided that both Lloyd's and the Revenue behave with more political and commercial sensitivity than in the past—this issue offers Lloyd's an opportunity.

It can make a decisive step *out of crisis management* by taking the lead in the adoption of higher standards of disclosure and technical sophistication in the London insurance market as a whole.

Reinsurance-to-close is not in itself a vehicle for tax avoidance, but the traditional means by which Lloyd's syndicates close their accounts for a given underwriting year, enabling them to distribute profits (or losses) among their names.

Each syndicate estimates its unmet liabilities for insurance claims, using techniques for reserving against future losses. It then pays a reinsurance premium over to the next year's members of the same syndicate, who take on all the outstanding liabilities.

Clause 58 of the Finance Bill will allow the Revenue to treat these premiums just like the tax-deductible loss reserves made by insurance companies. If they seem too great — unreasonably cutting back the taxable profits distributed to names — the Revenue may disallow them.

Lloyd's underwriting agents are justifiably horrified by the present wording of the clause. They say that the Revenue will be able to override the prudent reserving judgments made by Lloyd's underwriters, who will therefore shy away from the riskiest, most unpredictable business.

In turn, if the Revenue thinks the reinsurance-to-close has been overestimated, it will tax names on the profits it thinks they *should have received* — even where the syndicate declared a loss. This could make Lloyd's membership a distinctly unappealing prospect.

These arguments are not totally conclusive. The trouble is that some syndicates have found themselves at loggerheads with the Revenue over reinsurance-to-close because their standards of technical sophistication over reserving have been slip-shod.

Evidence of unsystematic decision-making by some underwriters has rightly aroused tax inspectors' suspicions.

Too many syndicates still lag behind, in standards of record-keeping, openness to new methods, and in the quality of the data they supply to the Revenue.

Inadequate guidance

Lloyd's itself gives inadequate central guidance. Its methods for setting prudent reserving guidelines have not changed in principle since 1908, though there have been experiments with a new method.

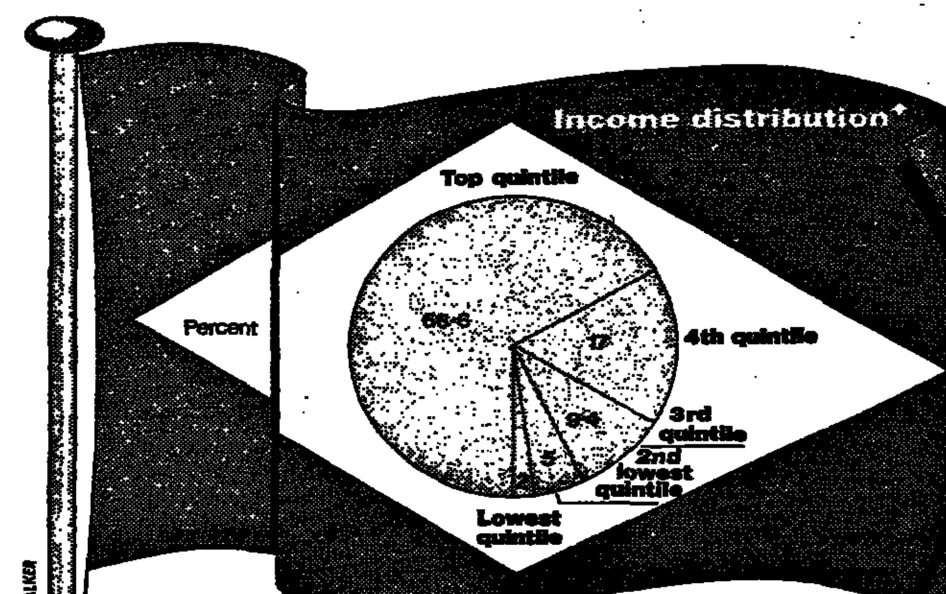
Lloyd's does not need any radical upheaval in its disclosure regime. Its 1984 Syndicate Accounting Bye-law already insists that auditors state whether syndicate accounts, including the reinsurance-to-close, give a true and fair picture.

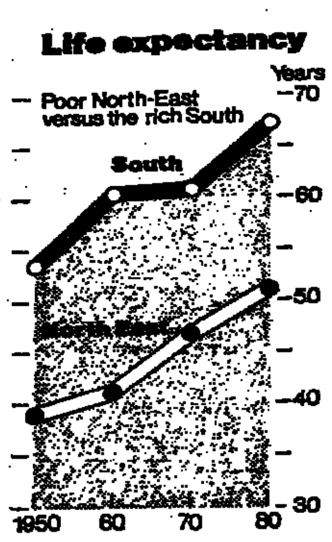
The way forward for Lloyd's would be to accept the underlying principle of Clause 58, that the taxman is entitled to better assurances that syndicate calculations are as accurate as possible. Lloyd's should then treat this as a challenge to upgrade the market's general level of professional sophistication—

This can only be achieved, however, if the Revenue is willing to co-operate, which will probably require a redrafting of Clause 58.

It should be possible for the Government to amend the bill to require all Lloyd's syndicates to give proper statistical justification of their reinsurance-to-close, without giving the Revenue carte blanche to embark on some wholesale purge of alleged tox avoidance where very little exists.

The sacking of Brazil's finance minister has left the country in political and economic turmoil. But Ivo Dawnay finds a growing awareness that something much more fundamental must change





The shackles that must be cast off

WHO GOVERNS Brazil? The public vetoing by party bosses of *President Jose Sarney's preferred* choice of finance minister last week has again provoked the media to raise this question.

But it was the outgoing minister, Mr Dilson Funaro, who posed the altogether more radical question of *how* this vast country of 140m is governed. His farewell speech to the country's *Constitutional* Assembly went to the heart of Brazil's political crisis.

He told his well-heeled audience what many of them least wanted to hear. "This country, with its long tradition of profound social inequality, has also revealed an alarming incapacity to change its political and economic structures, which accentuate privilege and perpetuate a sub-citizenry," he said.

"Faced with the resistance of the privileged and the impotence of the oppressed, the construction of institutions capable of ending this basic conflict is vital."

To the 60 per cent of Brazilians living in poverty, the first part of that statement is a truism. But to some of Mr Funaro's better educated critics his diagnosis was right—only his prescription was wrong.

For, while all Brazilian progressives would back measures *like fairer electoral laws or* limits on campaign spending, a small but growing lobby says it is the intrusive powers of the state—entrenched in its institutions—that has nurtured the privileges Mr Funaro so bitterly attacks. Furthermore, it is Brazil's traditional insularity combined with the interventionist solutions advocated by left-leaning nationalists such as Mr Funaro, which has reinforced the bad old ways.

The argument gaining ground, at least among some economists, a tiny Liberal Party and a small but significant school of businessmen is that a left-right pact is putting a brake on the country's growth. Left-leaning nationalists, the theory goes, have paradoxically allied themselves with the old conservative right in order to ensure rigorous control over the economy and both private and *public sector corporations.*

The result has been a reduction in internal competitiveness, less foreign capital investment and the parcelling out of business interests to a privileged few.

Moreover, to the despair of economic liberals, the old oligarchy has used the sacred tablet of "national interest" to justify a system which consolidates inefficiency in business and public administration through the maintenance of monopolistic and paternalistic practices. Evidence of this has come in recent weeks in a series of revelations *from the state governments.*

In mid-March, the new governor of the tiny north-eastern state of Alagoas—whose infant mortality rate of more than 10 per cent is among the world's highest—said that the administration he had inherited was employing some 30 state officials at salaries of around $100,000 a year.

Exposure of the scandal led to a national hunt for other so-called "Maharajahs"—officials whose long service pay and other unexplained privileges entitle them to astronomic wages or pensions. Hundreds emerged.

So far, the apparent champion is an officer in the Sao Paulo traffic police whose annual pay of $203,755 comfortably surpasses the remuneration of President Reagan. He, together with 19 slightly less well paid colleagues, each earn enough every month to hire 800 recruits on basic wages.

Elsewhere, in the state of Ceara for example, between 10,000 and 15,000 public employees hold more than one salary-earning state job—many without any obligation to work. One state governor is employing 11 close relations in key posts.

The bill for all this is being picked up primarily by a very small proportion of Brazilians. The country's 6.5m income taxpayers—those earning more than about 7,000 cruzados (£167) a month—help support 7.5m public employees, including those employed in 360-odd state companies.

Yet some of these taxpayers deserve less sympathy than *others.* According to Brasil 2000, a study of the country's creaking social order, half the population earns just 13.6 per cent of the salaries total, while the richest tenth takes home a remarkable 46 per cent. This leaves Brazil top of the World Bank's blacklist for inequitable wealth distribution, a point that has not gone unnoticed by the foreign banking community but is ignored by most politicians.

It is easy to see why. The country's case for a new deal on repaying its $113bn foreign debt relies on the moral issue of a nation's right to development and growth; but bankers are increasingly asking whose wellbeing is under discussion.

"Why should the American or British bank shareholder be asked to stump up new money to allow his Brazilian middle-class counterpart to enjoy a higher standard of living than he does?" says one banker.

Of course, Brazil can make a powerful case for reducing a debt burden that remits annually the equivalent of about 5 per cent of its gross domestic product abroad. But ethical arguments look weak if creditors can point to a domestic regime that still has not weeded out the practices of job reservation, nepotism and large-scale back-scratching.

But, to the economic liberals, the issue of the maharajahs has a much wider implication, going to the core of what, they claim, should be the real debate—the relationship between citizen and state.

Since the birth of the republic in 1889—itself a conspiracy of leftist nationalists and rightist slave owners—the Government has maintained a monarchical role. In Brazil's "miracle" years of development, under the corporatist government of Mr Getulio Vargas in the 1930s and the military regime of the 1960s and 1970s, the command economy, and its offspring the state corporations, mushroomed and thrived.

Rather than free competition, the state used the rapid expansion of domestic demand and formidable protectionist legislation as the main engines for growth.

Today, economists calculate that the total federal, state and municipal spending, plus the activities of public sector companies and banks, amount to just over half Brazil's $250bn gross domestic product.

The Government continues to watch over its favourite industries—arms, high-technology, chemicals, strategic minerals, fibre optics and telecommunications. In Congress, new protectionist measures are being demanded.

For foreigners, the state's presence is perhaps more daunting still. If a multinational wants to sell a subsidiary, officials will often make clear their preferences as to the appropriate purchaser.

Bureaucratic intervention is often arbitrary. Pirelli, established in Brazil since 1929, made the mistake last month of exhibiting an optical computer-linking device at an industrial fair. It was spotted by the Government's information technology market watchdog, and its production—worth sales of $1m a year—banned.

The closed door on information technology is justified on the ground that home-grown industry is a strategic necessity. For Brazil, that means the corporate sector must patronise national suppliers whose products are often superior only in the prices they charge. It is virtually risk-free capitalism.

But when the Government, state companies or the military need state-of-the-art technology, they will make an exception and buy from abroad.

The arrangement in effect offers near guaranteed profit in return for the political loyalty that all monopolies or cartels owe to their creators. All this comes, however, as an added cost to *private industry and* consequently at the expense of the millions on society's margins.

Only last week Mr Edison Dytz, a former director of SEI, the Government's information technology secretariat, said his eyes had been opened by working in the private sector. The Brazilian industry was uncompetitive and incompatible with the rest of the world and should be opened up, he said.

But the consensus that created this system and has vested interests in its continuation is only now beginning to be challenged—and only by degrees—in recently-democratic Brazil. The trades union movement, for example, is passionately xenophobic even though a recent workers' survey showed a majority preferred working for the better pay and conditions offered by foreign companies.

Many economic liberals, like the respected political economist, Professor Helio Jaguaribe, believe some protectionism is essential. "We have to organise our society without destroying the inner social fabric," he says. "an innocent opening would make Brazil like Puerto Rico—a US colony. But the expansion of economic freedom is essential to erode favouritism."

Others take a harder line. Senator Roberto Campos, often pilloried as a stooge of the West, believes that only free competition will bring about not only growth, but its enjoyment by the poorer classes.

Such a viewpoint is a rarity. The majority of those backing an economic *abertura* (liberalisation) believe that existing legislative weapons are sufficient to ensure that foreign capital is forced to make substantial *investments* in the country as the price for greater freedom to operate.

Moreover, Professor Celso Martone, of the University of Sao Paulo, believes such an opening up would have benefits for Brazilian democracy and institutions. "The only way to stabilise our political and social system is to participate in the larger world society where there are rules. Isolated, the government has enormous room to use discretionary powers."

But many businessman deputies in the new Congress have an interest in maintaining the status quo. The socio-economic profile of congressmen has changed little since the return to civilian rule. A recent analysis by Professor David Fleischer of the University of Brasilia, calculates that the new Congress actually has more former supporters of the old military party Arena, than its predecessor.

As one of their most vocal opponents, Liberal deputy Mr Guilherme Afif Domingos puts it: "Half Brazilian business is an accomplice of the state—the best businessmen are the ones that don't go to Brasilia."

There are some signs of change, however. Exposure of the worst state service practices is provoking a painful but necessary jobs shake-out in bankrupt local governments and vehement protests from taxpayers have taught the Federal Government that expenditure without accountability is no longer acceptable.

And there is evidence that some, less favoured business sectors — most notably small companies — are ready to protest at a public sector deficit that has helped push their commercial interest rates over 1,000 per cent.

However, an unspoken nationalist alliance dominates Congress, leaving those committed to liberalising the economy at 25 per cent of the members at best.

As the rest of the world — even the Soviet Union, it seems — edges down the path of deregulation, reduced state intervention and privatisation, Brazil, for the moment at least, appears to be heading in the other direction.

While Mr Funaro and his colleagues on the left readily criticise the "impunity" that they see around them, they will not accept the progressives' view that Brazil's isolationism and blanket protectionism provides the oxygen that allows corporate and state malpractice to survive.

As professor Jose Senna, a director of Banco Boavista, puts it: "It is worth remembering that countries that have closed themselves economically tend to be the most narrow-minded politically."

Men and Matters

Prince Charles chips in

There is hardly a blunter man in British industry than Sir John Clark, chairman of Plessey. But even he had to take second place yesterday to Prince Charles at the opening of the UK electronic group's *new Roborough semiconductor* plant on the edge of Dartmoor, near Plymouth.

With a sense of diplomacy worthy of his father, the Prince described the building as a "high-tech version of a Victorian prison." For good measure, he told Sir John and *a mixture of VIPs attending the* opening, that he hoped the trees around the outside grew "quickly enough to hide it from the moor."

From the outside, there is nothing particularly remarkable about the Plymouth facility, except that it is immaculately clean by normal industrial standards. Clad in plate glass and steel, it looks more like a low-slung office block than a factory. But its location, on the southwestern fringes of Dartmoor, was bound to mark it out for attention, and the local parish council opposed planning permission last year.

Inside, the outstanding feature of the building is a central glass-topped arched passageway which is somewhat reminiscent of a Gothic cathedral nave, and which has provoked references in the past to an "industrial cathedral." It was this item of design that attracted the Prince's fire—to cheers from several of the company's 350-strong workforce.

The Prince *has,* of course, established a reputation for outspokenness on architectural matters, describing the National Gallery a few years ago as a "vast municipal fire station." But aesthetics may not have been the only reason for his remarks yesterday. On Monday, he is reported to have been suffering from a cold, and on the factory tour yesterday he conspicuously allowed his face mask to slip, despite warnings of the enormous damage that could be done to the chips by polluting the atmosphere with a sneeze.

Apropos aesthetics, Stuart McIntosh, business manager of the Roborough plant, and a fervent apostle of the semiconductor industry, hammered home the point that taste is distinctly relative. The plant was, he said, one of the most advanced microchip factories in the world, "and to me it's beautiful."

"If the worst comes to the worst we can always stuff it full of nuclear waste."

Dry run

One of the casualties of a June election would be the long and thirstily-awaited blessing for the citizens of Ulster—a legal drink on Sundays.

Orders permitting opening of pubs on Sundays are due to be laid before Parliament by the Northern Ireland Office on May 26. But these plans would be scuppered if Mrs Thatcher decides to call a June general election.

The omens had been good for an uncontroversial passage of the measure. The Official Unionists are boycotting Westminster on a day-to-day basis, so they would be spared the need to oppose it. The Roman Catholic Church favours the move, which would give local priests the opportunity to indulge in post-Mass refreshment as they can south of the border.

But it has a more serious reason for supporting the measure. The main aim is to make unnecessary the illegal drinking clubs which are frequented by members of paramilitary organisations.

Ripples

The Swedes thought they had found the first submarine of the season yesterday — in the lake outside the summer palace, of all places. Police decided to call in divers after witnesses saw suspicious wave movements on an otherwise perfectly calm Lake Mälaren not far from central Stockholm.

Three Poles and a couple of Swedish citizens found lighting a bonfire in the vicinity were arrested on suspicions of spying but were later released for lack of evidence.

Swedes have long been sensitive to intrusions into their coastal waters of foreign submarines, usually identified as coming from the Warsaw Pact countries. But if the latest "sighting" actually was a submarine, it would have had to enter from the Baltic and come up through the Stockholm archipelago and one of the locks into Lake Mälaren.

The defence staff said this was all extremely unlikely and that the waves could have been caused by a large fish. The police were *not so easily fobbed* off and said that a submarine could have followed a ship through the locks.

If that sounds audacious, it is not unknown. Several foreign submarines were detected operating in the central Stockholm archipelago in 1982, causing more than a ripple in Soviet-Swedish relations.

Power point

Energy Secretary Peter Walker raised blushes from six captains of the nuclear industry, past and present, when he called upon them by name to stand at the start of his address to the annual industry lunch in London yesterday.

With nervous smiles and much shuffling of chairs, Walter Marshall, John Hill, Arnold Allen, Con Allday, Sel Ghalib and Jim Stewart all rose, clearly wondering what new crimes of omission or commission they were about to be charged with.

They soon learned. All had been employed in the industry 30 years ago — and Walker defied them to claim that they would then have forecast that today the world would be generating more nuclear electricity than its entire electricity production in 1956.

No little relief tinged their laughter as the doughty six regained their seats to hear Walker assure guests of the British Nuclear Forum that such indeed is now the case.

Just the ticket

From Andorra comes the story of the man who arrived home to be greeted by his wife with the news that she had won a fortune in a lottery. "I bought four tickets," she said, "and one of them won."

"You're a fool," he said. "Why did you waste money on the other three."

Observer

Labour's economic policy

Hattersley dashes for a different pattern of growth

By Philip Stephens

FOR THE Labour Party's economic policymakers, the past four years, above all, have been about trying to rebuild credibility.

Even its supporters are inclined to admit that the Alternative Economic Strategy put to a disbelieving electorate in 1983 was long on principles, short on pragmatism.

The economic policy likely to be tested at the polls next month includes many of the same aspirations. But they have been squeezed into a macro-economic framework which Mr Roy Hattersley, Labour's Deputy Leader and Shadow Chancellor, insisted last week in an interview is both prudent and realistic.

There are still what critics regard as unfortunate hangovers from the past: an interventionist strand which takes little account of the increased ascendancy of markets in the world economy, an industrial policy tinged with protectionism. The proposed National Investment Bank and British Enterprise—aimed at revitalising manufacturing industry and promoting high-technology — have a 1960s ring about them.

The present strategy, however, appears to owe more to Clement Attlee's dictum in 1945 that Labour's job was to prove that "socialism and commonsense coincide more than our critics understand," than to the Utopianism of 1983.

The extent of the shift since 1983 is easily illustrated. Then, there was still a question mark over whether Labour should keep Britain in the European Community. Now the Shadow Chancellor talks enthusiastically about the possibility of taking sterling into the European Monetary System's exchange rate mechanism.

Of course there would be conditions attached to such a move, but none seem more onerous than anything that Mrs Thatcher might demand.

Four years ago the policy was to engineer a major devaluation of the pound. In 1987, the hope is that Labour's plans to withdraw tax concessions from financial institutions maintaining large overseas investments, an updated version of exchange controls, would brake the almost inevitable run on the pound which would follow a surprise Labour election victory.

The policy on public ownership has been updated. The main utilities will be brought back into the public sector but the timing remains vague. Social ownership is not to be equated solely with nationalisation. Labour leaders see no reason why Gleneagles, the hotel once owned by British Rail, should be run by the state.

The overall stance of policy is still expansionist—the goal of taking 1m people off the unemployment register in the two years after an election means that it could not be otherwise.

Now though, there is an emphasis on prudence in financial policies. Increases in public borrowing will be carefully circumscribed. Labour will not be a party *of perpetual devaluation.*

Specifically, Mr Hattersley insists that "there are only two areas in which we categorically promise to spend money." The first is on its job creation programme (£6bn a year). The second is on a "very limited anti-poverty package" costing £3.5bn a year and involving increases in benefit payments for the long-term unemployed, in pensions and in child benefit.

Even then only £3.5bn of the additional spending would mark an addition to the public sector's financial deficit. The rest would be paid for by "reversing" the £3.5bn of tax cuts received by the top 5 per cent of income earners since 1979 and by reinstating the 2p cut from the basic rate of tax in this year's Budget.

The object is not to give an indiscriminate boost to the economy, particularly as it is already expanding fairly rapidly relative to most of Britain's competitors. That would run straight into the balance of payments and inflation constraints that have dogged so many Labour governments.

"I need to be convinced that the economy can be run at its present rate for the next two or three years," Mr Hattersley says. What he wants is a different pattern of growth: "We will choose to run a higher investment economy in which something is done to mitigate the private consumption and borrowing boom."

The focus on caution, which runs through all of the Shadow Chancellor's speeches (recently published in book form, edited and introduced by his economic adviser, Mr Doug Jones*), extends to other areas of financial policy.

Monetary targets would be dropped, but the money supply would not be ignored. Labour's policy is to lower borrowing costs in order to promote industrial investment but if a tumbling pound put it "up against the wire" it would use the same lever — interest rates — as the present government.

And though Labour has eschewed a formal incomes policy, the attitude towards pay would be equally tough. Mr Hattersley is keen to qualify the pledge of a national minimum wage. It would, he insists, be phased in over a number of years.

Above all, it could not represent a net addition to the pay bill but would have to be subsumed within an overall increase in earnings acceptable to the Government.

The macro-economic package overall is not one that wins plaudits in the City. Many economists there see no real anchor for inflation in the strategy and fear that in present circumstances almost any stimulus to the economy would result in overheating.

There is not, however, anything like the total incredulity which marked their reaction to the 1983 platform. After all, many of the policies seem little different from those espoused by the SDP-Liberal Alliance.

But the potentially most damaging charge — and the one that the Conservatives have focused on—is that Mr Hattersley's policy in opposition will not be the one of a Labour Party in Government.

It is this that is at the root of the Shadow Chancellor's often bitter exchanges with Mr John MacGregor, the chief secretary to the Treasury.

Mr MacGregor's costings—suggesting that Labour has already pledged itself to additional spending of £34bn a year—owe more to political point-scoring than accurate arithmetic.

There is, however, a serious point. The argument is that an incoming Labour chancellor would be overwhelmed by the competing demands of spending Ministers;

While Mr Hattersley has been addressing the financial markets, his shadow cabinet colleagues have been talking to the electorate.

Might not promises on low pay, on benefits, on the National Health Service and education, and an escalation of wage demands in the public sector, quickly swamp the cautious agenda?

If the Conservatives have failed to meet their targets for public spending in almost every one of their eight years in government, then what chance is there of a Labour chancellor achieving a consensus on spending priorities?

That consensus, the argument runs, would only be possible after a dash for growth in the first year or so of a Labour government had been dissipated in higher inflation and a balance of payments crisis.

Mr Hattersley is adamant that history will not repeat itself. The lessons of the mid-1970s and Britain's humiliation at the hands of the International Monetary Fund have been learnt. The manifesto will be explicit in dividing promises from aspirations. The latter will only be met if and when they can be afforded.

"The people who will count in the next Cabinet are the people who have been through all this once and are not going to go through it again."

For that to be put to the test, however, there will have *to be perhaps* an unprecedented swing in the opinion polls between now and the election.

** Economic Priorities for a Labour Government. Roy Hattersley and Doug Jones. Macmillan Press.*

Roy Hattersley: *history will not repeat itself.*

The 'black sections' debate

Watch the outcome not the mechanism

By Linbert Spencer

IN RECENT days, the Labour Party has torn itself apart over the issue of special sections to *promote the interests of black* people. But this fundamental question cannot be confined to Labour. All political parties face the question of how to make democratic representation a reality. The danger is that, in searching for an effective political franchise, we become entangled in the mechanisms of democracy and lose sight of the objectives.

In voicing its concern at the paucity of black people on the Church of England General Synod, the Archbishops Commission on Urban Priority Areas noted: "There is nothing sacrosanct about present mechanisms of democracy; the important thing is for those mechanisms to give an effective franchise and voice to all sections of plural society."

When systems, mechanisms and structures fail to produce effective and obviously fair outcomes, something must be done. We may well be approaching, some would say have long ago reached, the stage where all political parties need to consider how appropriate systems of representation—giving effective franchise to minority ethnic groups—can be devised.

It may be argued that any reasonable and committed political representative can take account of the needs of everyone he or she represents. But the fact remains that for British people of Caribbean and Asian descent some outcomes of our democratic system are very negative: 100 per cent higher levels of unemployment than their white counterparts, less good housing, greater chances of imprisonment for comparable offences and no parliamentary role models.

The political atmosphere as we approach another general election is no more encouraging. Proposals concerned with the specific needs of the black community are at best low key and at worst non-existent. Political parties simply must put a higher priority on policies designed to enable black British people to enjoy fuller citizenship in its broadest sense, which means equality of social and economic opportunity regardless of race. Politicians must take account of the black voters, not just because they may determine the outcome in many marginal seats, but because the futures of the black community and the major urban centres are inexorably entwined.

This may seem a daunting task, but there is much to build upon. One strength often overlooked is the Church. Religious observance is much greater in black communities.

Another strength is the strong commitment to Britain of most of the country's black people. Many of us were born British, lost our citizenship rights through the 1983 Nationality Act, but chose to buy it back again—some suffering hardship in order to do it. Many black people live in rundown inner city areas and, therefore, have a vested interest in as well as a commitment to turning round these areas. Far from being the cause of dereliction, decay and deprivation, the presence of black British residents in inner cities represents a sign of hope.

Black British residents in inner cities represent a sign of hope

Looking to these strengths, then, what kind of programme are we talking about? The answer is in two time scales: short-term enabling actions (building the scaffolding) and actions intended to bring about a more fundamental redesign of the attitudes and behaviour of our institutions.

The scaffolding is composed of such things as voluntary codes of practice, positive action, monitoring procedures, equal opportunities officers and awareness training. Such measures, however, will only have a short-term impact.

Real institutional refurbishment requires the setting of long-term goals against given time scales. For instance, if we look at the criminal justice system, it surely must be right to set as a policy goal equality between black and white people in the receipt of custodial sentences. Home Office statistics show that the proportion of black male prisoners is twice that of white male prisoners. In addition, white juveniles are more likely to be cautioned, instead of being charged, than their black counterparts and have substantially more previous convictions than their black contemporaries. The *National Association* for the Care and Resettlement of Offenders, in its recent report entitled Black People and the Criminal Justice System, suggests that probation officers may lack confidence in their abilities to supervise black offenders and may, therefore, not recommend probation or community service orders as frequently as they might. If this is the case, positive action to encourage more black British recruits into the probation service may well be an important *policy tool.*

Likewise in the field of unemployment black people are twice as vulnerable as their white counterparts. However, this can be changed. The employment gap between black and white people can be closed in the life of a single parliament, given the political will. Action would need to be geographically targeted and would have to involve employers, institutes of higher education, central and local government and minority ethnic communities.

Such a programme would need three focuses: first, vocational training and education designed to assist those with relevant skills, capacity and potential, rather than necessarily paper qualifications. It would require clearly identifiable routes through the relevant qualifying courses and a clear connection between education and the potential job.

Second, employers must be helped and supported, through consultancy and training, to take action to redress historical *imbalances. Third,* there must be support and encouragement for the development of black-led businesses, not just in inner cities but in areas of high economic activity and growth. Financial institutions must guard against unconscious discrimination.

By following policies along those lines a new Government could bring about measurable change in the status enjoyed by black people in this society. But boldness is required: it cannot be done unseen or by stealth. *Failure to begin to bring about* real change now could result in social and economic disintegration in our major cities.

The author is chief executive of Project Fullemploy, an agency concerned with vocational training, primarily for black people.

Letters to the Editor

A flawed concept

From the Director, Centre for Banking & International Finance, City University Business School

Sir,—Barry Riley's article (April 25) has exposed the flaws of polarisation in SIB's rule-book for everyone to see. The Big Bang revolution seems to have failed to rationalise the insurance industry. The single capacity arguments, which exercised a stranglehold on the Stock Exchange for so long, have re-emerged in order to protect the insurance sector from competition. The SIB, for all its good intentions to protect the public interest, has become the Trojan horse through which the noble aspirations for investor protection have been transformed into a mechanism which promotes the special interests of the insurance industry.

Two principles of economic efficiency are involved. The first is transparency of information, in this case concerning commissions. The SIB has moved in the right direction towards more disclosure. The insurance industry has come to terms with such disclosure, an idea that earlier was viewed as impossible. The second principle is easy entry of firms into the industry. Polarisation has effectively barred banks and building societies from competing in the insurance industry by using their comparative advantages.

It took five or more years to reshape the UK securities industry. The special interests of securities firms in America and Japan, protected behind laws and regulations, prohibit the same reshaping there. Investor protection in the UK will be properly served by purging single capacity in the insurance sector. This means the revision of the Lloyd's Act and the elimination of polarisation from SIB's rule book before the ink is dry.

Zannis Res.
Frobisher Crescent,
Barbican Centre, EC2.

Nuclear power

From Mr W. Aspinall

Sir,—I believe that it is important that readers should know that there is a fundamental objective of all concerned to see that there is never again a nuclear accident of the size of Chernobyl, and that every safeguard should be taken to ensure that control over nuclear establishments has public confidence.

As a member of the European Economic and Social Consultative Assembly I and my colleagues have been asked to prepare an opinion on two important regulations. The first covers the procedure for rapid exchange of information between member states should there be a nuclear accident, this follows very much on similar lines to that adopted by the International Atomic Energy agency guidelines. It has been our wish to ensure that whatever procedure is finally agreed by the Council of Ministers that it will have public confidence. The second document covers the levels of radiation that can at a time of a nuclear accident or leakage, be acceptable in agricultural foodstuffs and drinking water. Again we have taken care to express to the Commission the need to create public confidence.

I would not like readers to think that the European Communities is just sitting back when it is taking positive action to ensure effective control so that our nuclear energy programme has a safe strategy. Nuclear energy is with us to stay, it is an economic reality and to consider it unsafe would be an abdication of responsibility to future generations.

I hope that readers will accept that those of us involved at a European level will pursue a genuine desire to ensure that the people of Europe are fully protected and advised.

Wilfred Aspinall.
Tavistock House,
Tavistock Square, WC

Bright spots on Merseyside

From the Chairman, Cammell Laird Shipbuilders

Sir,—A relatively gloomy picture of employment prospects on Merseyside was painted in Ian Hamilton-Fazey's article headed "Merseyside fails to boost jobs" (April 29).

There are, however, bright spots worth highlighting. The Cammell Laird shipyard in Birkenhead, part of the privatised VSEL group, took on an extra 300 people in 1985-86 and is on target to add a further 500 jobs this year. This stems from success in winning a competitive battle for orders for three submarines for the Royal Navy, to add to the type 22 frigate Campbeltown on which work has been under way since 1985.

It is not long since people were ready to write off Cammell Laird. But, thanks to enthusiastic hard work, and a joint commitment to success by everyone in our Birkenhead team, supported by their VSEL colleagues at Barrow-in-Furness, the situation has been turned around. There is still some way to go before Cammell Laird's future is completely assured, but the transformation in the last two years is truly remarkable. Our people are now determined to build their own future, as they can.

Hopefully, this restoration in the fortunes of one of Merseyside's longest-established companies will be a pointer to the resurgence of the region as a whole. The key is a united team approach, recognising that while the world does not owe us a living there are opportunities for market-conscious companies whose products offer best value for money against competition from anywhere.

Rodney Leach.
Barrow-in-Furness,
Cumbria.

The making of UK managers

John Downs.

Sir, — At the FT/NEDC conference (reported April 30) Charles Handy made the important point that economic renewal owes more to successful managers than to officially orchestrated action.

If "business literacy" (not *just business numeracy) is to be* taught, practised and sustained — especially at the pace we need it—then the real leverage must be given by the good managers we've got. They, and their colleagues, know who they are. They need to be used within their organisation as examples and communicator of good practice. People will watch and follow demonstrable good practice which is relevant to their organisation, its culture and the imperatives driving it. Management therefore needs to be more discriminating and more open in applauding the people and skills they value and which they want to see more of in their organisation. They should be saying: "Listen to X, he is good, you will learn from him. Work with him for a week and see how he does it. He may also learn something from you." It's inexpensive, It's relevant to that organisation, it helps internal communication, it motivates and gives people added confidence "to be their own men". (Confi*dence that one can be prag*matic and successful without a string of qualifications is as important to generate as the undisputed need to improve the level of qualification generally).

When chief executives respond to Lord Young's timely exhortation that they should lead a crusade for improved management education and development, hopefully they will not forget that among their most valuable "multipliers" are their own successful managers.

John Downs
Hay Management Consultants,
52 Grosvenor Gardens SW1.

Holiday hire hazards

From Mr G. Smith

Sir,—The article entitled "Hazards of holiday hire" by Roger Beard (April 18) prompts me to offer a word in defence of the car-hire industry, in which I am engaged.

Mr Beard's experience is surely unique. Perhaps there is a connection between his misfortune and his advice that the hirer should go for the cheapest car that has enough space for his party (though further on in the article he seems to endorse the AA's suggestion that the car hired should be of the same or a slightly higher standard than the hirer's own vehicle). The car that is cheapest may be so because of savings on servicing and insurance.

By all means agree the rate in advance and book the car from the UK before leaving home. VAT in Spain, however, is not one-third of the hire-car bill. It was, but is now 12 per cent.

My advice to the hirer is to look firstly for the best service, and then at price. It is not worth spoiling the holiday for the sake of £5 or £10.

George Smith,
Marina Cars.
Torre del Puerto,
03730 Javea,
Alicante, Spain.

Replacing zero VAT

From Mr S. Vaughan.

Sir,—You report (April 15) that Mr Hattersley claims that the proposed abolition of zero rating will cost the British consumer £6.5bn a year. This must be based on the assumption that goods previously zero rated will be rated at 15 per cent. Nevertheless it is hard to see how Brussels can insist on which rate is to replace zero. In France, for example, most food is rated at 5.5 per cent, books are rated at 7 per cent. For certain special items in "Continental France," rates are as low as 2.1 per cent and in Corsica 0.9 per cent.

If Britain were to replace the zero rate by a rate of 1 per cent, what could the EEC Commission do?

Stewart Vaughan.
4 Boulevard du Temple,
75011 Paris, France.

FINANCIAL TIMES
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Kevin Done in Reykjavik charts the parliamentary progress of the Icelandic women's movement

Breaking the ice at an all-male party

THE ADVANCE of the women's liberation movement in Iceland – without precedent anywhere else in the world – has left the country's male political establishment floundering, uncertain how to react to this assault on their previously impregnable bastion.

Iceland's women's movement is unique in having won seats in the national parliament, and in the general election two weeks ago, the Women's Alliance almost doubled its vote to 10.1 per cent. It won six seats in the country's 63-member Althing (parliament), compared with three in 1983, when it made its first parliamentary break-through.

What the Greens have done elsewhere in Europe, women have done in Iceland by breaking the political mould.

With Iceland's traditional political parties in disarray, the Women's Alliance might even succeed in entering government – intense negotiations on forming a coalition are underway – an ideal that would have seemed preposterous, even in Iceland, less than 5 years ago, and which in other countries would still seem outlandish.

Breaking the political mould: Icelandic women demand equal pay and equal rights

The Women's Alliance is made up of "educated and middle class" women, says Mr Jon Baldwin Hannibalsson, leader of the Social Democrats. "They are left-wingers, but they don't admit it."

He describes the alliance's first three MPs as "a doctor of medicine, a doctor of anthropology and a press tycoon's wife."

"They say their political position is based on an ideal of feminism, they reject males' brutal power game, they are guardians of different values. They are pacifist, against war and weapons and the men responsible for them. They care for children, motherhood and peace. They are pretty."

Negotiating with the Women's Alliance is no easy task for Iceland male politicans, who claim to be in the dark about where the women stand.

"All their policies are so vague," says Mr Stefan Olafsson, director of the social science research institute at the University of Iceland, except on day care centres or peace, and who doesn't want peace?

The Women's Alliance refuses to allow itself to be pigeon-holed within the traditional political spectrum.

"We are neither right nor left," says Mrs Gudrun Agnarsdottir, doctor and one of the Women's Alliance MPs since 1983. "How we vote in parliament depends on the issue. It is a question of how it will affect women and children. What is best for them, is always best for men, too ... like an artist, we are creating something new, others can try to define it later."

Iceland's male political leaders are fond of describing the Women's Alliance as "political innocents" or "virgins in politics," but Mrs Agnarsdottir says the Women's Alliance has already begun to change political debate in Iceland.

"It has changed the discussion and changed the emphasis of the traditional parties, who have had to put their women candidates in safe seats in order to compete with us," she says. It is putting extra emphasis on women's issues and the family.

"We have spoken on all issues believing that all issues are women's issues. We are half of society, we have to take a stance."

Iceland's modern women's movement has evolved from ideas imported from Europe and the US in the late 1960s. "We had the red stocking movement which claimed freedom and equality for women, but it failed to separate the struggle for women's rights from the class struggle and it finally petered out," Mrs Agnarsdottir says.

"Today it is very different from the 1970s when women burned their bras and denied a part of their femininity and did not cherish or acclaim the housewife as having a useful role. We want to keep everything that is feminine, but we want it respected as something essential."

The women's movement reached a milestone in 1975 when it marked International Women's Year and the beginning of the United Nations Women's Decade, by staging a nationwide women's strike. The action "not only proved that society comes to a virtual standstill without the work of women, inside the home as well as outside, it also sharpened women's consciousness of their own status," says Mrs Agnarsdottir.

In 1980, Iceland elected Mrs Vigdis Finnbogadottir, previously director of Reykjavik Theatre, as its president, the first time anywhere in the world that a woman – let alone a single parent – had been elected to such office.

Her victory was a boost, for the women's movement, which put forward its first candidates for the local elections in 1982, and then ran for parliament a year later.

In the five weeks before the election, Icelanders were treated to what Mr Jon Baldvin Hannibalsson calls a "long show of dirty politics and soul-searching on morality" as the conservative Independence Party split, and one of its leading members resigned from the Government amid allegations about tax irregularities and broke away to form his own party.

"People say the women are blameless," says Mr Hannibalsson. "They have no political past, at least they are not corrupt. But when you ask them for their policies on fisheries, agriculture or state finance, they are well-meaning but woolly."

While the women's alliance may reject traditional political labels, it is clear they have won much of their support from discontented left-wing voters, who have deserted in droves the leftist People's Alliance, which includes Iceland's former Communist Party.

"It is largely a party of middle-class, leftist women," says Mr Stefan Olafsson at the social science research institute. According to opinion studies carried out by the institute, Women's Alliance voters come from the "public sector, middle-class and leftist occupations like teachers and health service personnel ... They have not succeeded in appealing to women of all classes and all parties, that is their biggest failure."

Many of Iceland's male politicians admit that it is partly their own earlier failure to promote women to positions of influence that has created such fertile ground for the women's movement and has left Iceland lagging behind its Scandinavian neighbours.

Denmark, Norway and Sweden have gone much further in developing child day care to allow women to work. Norway's ruling Labour Party has introduced a quota system so that at least 40 per cent of its parliamentary candidates must be women.

"Women don't have equal opportunities in Iceland," admits Mr Kjartan Gunnarsson, Secretary General of the Independence Party. "There is a lot of sex discrimination, especially in the civil service. They are not treated equally on the grounds of their education and merits."

Mrs Agnarsdottir says the women's movement is prepared to participate in government, but she is aware that such a move could be to accept a poisoned chalice from the established parties. We do not want to be used or manipulated. We will make very firm conditions, especially on improving the status of women and children."

The women's main fight has been over low pay and social provisions for day care and child allowances. Female participation in the labour market has more than doubled in the past 20 years, but many have landed in low-salary, unskilled jobs. The average salary for men is 59 per cent higher than for women and only about 5 per cent of women reach an average salary, says Mrs Agnarsdottir.

She says the growing feeling of discontent and frustration among women has come from this double workload – low pay at work and unpaid work at home – coupled with the fact that society has only partially met the changed needs of the woman and the family.

Hart denies accusations of immorality

BY JAMES BUCHAN IN NEW YORK

MR GARY HART, the leading contender for the Democratic nomination for the US Presidency, yesterday vigorously defended himself against suggestions that he spent the night with a woman other than his wife.

Mr Hart, whose campaign had been thrown into serious disarray, yesterday described as "misleading and false" a report in Sunday's Miami Herald, that a young woman had spent last Friday night at his Washington home. The woman, an actress and model, Miss Donna Rice, has also denied the report.

Speaking to the American Newspaper Publishers Association, in New York, Mr Hart said that the newspaper, which despatched reporters to watch his house for long periods on Friday night, had carried out a "spotty surveillance" and failed to interview people who could have shown the story was false.

Mr Hart, who said that the electorate was "fully justified" in investigating the background of candidates, admitted he might have made a mistake in acting in a manner that could have been misconstrued. "Did I do something immoral? This I absolutely deny," he added.

Mr Hart launched his presidential campaign last month standing on a snow-covered ridge in the Rocky Mountains near his Denver home with his wife and daughter.

It was evident from his decision yesterday to address the issue directly that he and his campaign advisers recognise the threat to his nascent presidential campaign in a story which was the lead item on all three national television networks on Monday night and which induced the New York Times and the Washington Post to write critical editorials about him.

The Miami Herald report has stirred up a fierce controversy not only about Mr Hart but also whether the private lives of politicians ought to be subjected to such close scrutiny.

Ms Geraldine Ferraro, the Democratic vice-presidential candidate in 1984, complained bitterly that press investigations into the business affairs of her husband exceeded reasonable grounds.

In this case the Miami Herald, acting on an anonymous tip, stationed reporters outside Mr Hart's house to observe his behaviour.

In response to the claim by Mr Hart that Ms Rice left the house by a rear entrance and did not spend the night there, the newspaper has had to concede that it cannot deny this since for part of the evening its reporters were not watching both exits.

Political analysts are divided about how seriously the report will damage Mr Hart's campaign. Much will depend on how he handles the issue in public over the next few days and also how his family and campaign staff react.

However, if his standing as a presidential candidate is badly damaged then the race for the Democratic nomination could be transformed.

The allegations against Mr Hart are particularly sensitive since public charges that he is a "womaniser" have already been a focus of press coverage of his campaign. Some of his top advisers concede that perhaps his biggest challenge as a candidate is to lay to rest questions about his character and his judgment.

The fact that he has not fully paid off debts from his 1985 presidential campaign when he almost snatched the Democratic Party nomination from Mr Walter Mondale has also dogged his pursuit of the 1988 nomination.

Comex hit by surge in gold and silver trade

BY STEFAN WAGSTYL IN LONDON

THE Commodity Exchange in New York, the world's busiest precious metals futures exchange, is struggling to cope with a backlog of contract settlements in the wake of the recent surge in gold and silver trading.

Comex closed early on Monday and yesterday to give exchange officials and member companies time to sort out trading discrepancies.

The closure of a futures market is seen as an act of last resort and could hit trading firms if prices moved quickly in what is increasingly a 24-hour market.

Comex trade hit record levels as the price of silver soared by about 40 per cent in a week to reach $11.25 an ounce last Monday before falling back sharply. In the five trading days ending last Monday, an average of 163,161 contracts were traded daily, compared with an average for the year to date of about 85,000.

Officials have worked late every day for more than a week to cut the backlog of 16,000 unsettled trades. They expect to finish in the next few days.

The exchange expects to stay open all day today. It has already made one important change in its trading procedures and is considering others.

However, traders say the affair will harm the reputation of Comex, which has run into controversy in the past for the way it manages its markets.

In 1985, the collapse of Volume Investors, a Comex member firm, prompted a spate of lawsuits and an investigation by the Commodity Futures Trading Commission, the US market watchdog, which led to tighter regulation of US futures markets.

Mr Bill O'Neill, director of research at Elders Futures, a trading company, said the exchange had been diligent in trying to sort out the backlog but its "somewhat antiquated" procedures needed improvement.

As a first step, Comex has removed from its most active contracts in silver, gold, aluminium and copper, the limits it imposed on the maximum price movement allowed in any one day.

In the past only contracts for metal for immediate delivery were limit-free. Now futures contracts for metal for delivery one-month and two-months out will also be limit-free.

This is expected to ease the congestion which has occured in the immediate delivery contracts on very active days. Limit rules have been traditionally used on US commodity exchanges to attempt to control violent price swings. However, several financial futures contracts have long been traded limit-free.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	T	9	48	Dubrovnik	C	8	46	Malta	S	16	61	Rhodes	S	23	73
Algiers	F	18	64	Edinburgh	S	14	57	Manchester	C	11	52	Rio de J'o	C	32	89
Amsterdam	C	12	54	Faro	S	20	68	Manila	S	37	99	Rome	F	14	57
Athens	S	21	70	Florence	C	14	57	Melbourne	C	16	61	Salzburg	C	9	48
Bahrain	S	33	91	Frankfurt	C	10	50	Mexico City	S	29	84	San Francisco	S	12	54
Bangkok	C	32	90	Funchal	S	20	68	Miami	S	23	73	Seoul	S	17	63
Barcelona	F	17	63	Geneva	R	6	43	Milan	F	12	54	Singapore	R	29	84
Beirut	S	21	70	Gibraltar	S	20	68	Montreal	C	8	46	Stockholm	S	11	52
Belfast	C	11	52	Glasgow	S	14	57	Moscow	C	23	73	Strasbourg	R	9	48
Belgrade	S	24	75	Guernsey	S	11	52	Munich	C	7	45	Sydney	S	19	66
Berlin	C	8	46	Helsinki	C	6	43	Nairobi	C	25	77	Taipei	R	23	73
Biarritz	C	12	54	H. Kong	C	22	72	Naples	F	16	61	Tangier	S	22	72
Bombay	S	32	90	Innsbruck	F	12	54	Nassau	S	29	84	Tel Aviv	S	24	75
Bordeaux	C	10	50	Inverness	C	11	52	New Delhi	S	31	88	Tenerife	S	20	68
Brussels	S	14	57	Islamabad	S	33	91	New York	R	8	46	Tokyo	S	18	64
Budapest	F	20	68	Istanbul	S	20	68	Nice	F	16	61	Toronto	F	6	43
B. Aires	C	21	69	Jakarta	R	34	93	Nicosia	S	23	73	Tunis	C	18	64
Cairo	S	34	93	Jersey	C	13	55	Oporto	S	17	63	Valencia	S	19	66
Cape Town	C	17	63	Jo'burg	S	21	70	Oslo	F	13	55	Venice	F	15	59
Caracas	C	29	84	Lima	R	24	75	Paris	F	12	54	Vienna	C	14	57
Casablanca	C	21	70	Lisbon	S	18	64	Peking	S	25	77	Warsaw	S	20	68
Chicago	S	5	41	London	C	13	55	Prague	C	16	61	Washington	S	8	48
Cologne	F	13	55	Los Angeles	S	15	59	Reykjavik	C	6	43	Zurich	R	5	41
Copenhagen	S	13	55	Luxembourg	C	8	46								
Corfu	F	21	70	Madrid	S	15	59								
Dallas	—	—	—	Majorca	F	16	61								
Dublin	C	11	52	Malaga	S	19	66								

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

£ continues to rise

Continued from Page 1

1977, and contributed to growing speculation of a further fall in borrowing costs.

The Bank of England's operations in the money market signalled that it was not prepared to see base rates fall yesterday by lending funds to banks at a rate of 9 11/32 per cent. However, dealers said that the Bank had a number of options at its disposal in sending a message to the market, and its operation yesterday was not seen as at all aggressive.

Nevertheless, the economic arguments for and against lower interest rates appear to be finely balanced.

The Bank of England is clearly concerned about the potential inflation inherent in the rapid rate of growth of bank credit and broad money supply as well as step rises in house and other asset prices.

These considerations have to be weighed against the Government's concern that any further rise in sterling would erode the competitive gains for British industry won as a result of last year's sharp devaluation of the pound.

However, the pound's recent gains go some way to offset inflationary pressures and could allow a further small fall in borrowing costs.

Sterling's trade-weighted index closed yesterday at 73.5, up on the pre-weekend close of 73.3.

Demand surges for Rolls-Royce prospectuses

By Richard Tomkins in London

DEMAND for shares in Rolls-Royce, the British state-owned aero-engine maker being floated on the London stock market, has reached such high levels that application forms are in danger of running out before the offer closes tomorrow.

Would-be applicants from various parts of the UK complained yesterday that they could not obtain prospectuses or application forms for the £1.36bn ($2.26bn) offer. London was among the worst-hit areas.

Forms were supposed to be available at all branches of the National Westminster Bank, the lead receiving bank to the issue. However, yesterday afternoon the chief office of NatWest's new issues department in the heart of the City of London was among those turning disgruntled investors away empty-handed.

Samuel Montagu, the merchant bank sponsoring the flotation, had arranged for 1m full prospectuses and 2m application forms to be printed. By yesterday it had only 250,000 forms left and was sending them to the areas of greatest shortage.

Mr Christopher Clarke, a Samuel Montagu director, acknowledged that if demand continued to accelerate in the run-up to tomorrow's close, there was a risk that the forms could run out. It was not planning to print any more.

He said the bank had taken into account all the Government's previous experience of privatisations before deciding on the print-run. "The shortage is only in certain areas, but there does seem to have been a rush towards the end."

If the demand for application forms is matched by the level of response to the offer, the number of applicants will easily exceed the 1.1m applicants for British Airways, the last privatisation issue. Many more applications will have been made on forms published in the press.

It will also mean a heavy rationing of shares. The Government hopes to avoid a ballot but Samuel Montagu said it could not rule one out.

Demand for the issue appears to have been stimulated by the bandwagon effect of other recent privatisations, all of which have gone to big premiums in early dealings. Anecdotal evidence suggests that first-time investors are being attracted to the issue in the hope of making big profits.

Stockbrokers' analysts, however, still regard the Rolls-Royce issue as tightly priced and expect a comparatively modest premium of 15p to 30p on the 85p partly-paid shares.

THE LEX COLUMN

A matter of relativity

Sterling firm, official reserves piling up, money market rates lower, the gilt-edged tap sold – there is nothing to stop another cut in base rates right now except the authorities' desire for a smooth downward progression and no hiccups.

There is no need for them to be hustled into a cut too rapidly, when, as they know only too well, sentiment can swing the other way just as fast. If something did go unexpectedly wrong for the Government in tomorrow's local elections the flood of foreign money into sterling would certainly falter.

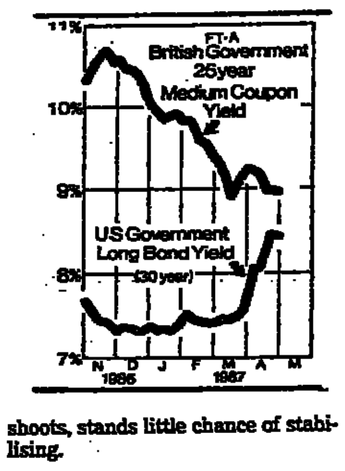
The cut must come sooner or later, though, as intervention in the foreign exchange markets is clearly not sufficient to hold the pound down, just as it is failing to keep the dollar up. And it is easy to make a good case for yet another cut simply by comparing UK bond yields with those abroad. While Japanese and German interest rates may fall by another half percentage point, they have dropped to a level where they can go no further.

In the US, rates are headed in the other direction, even if the official move has not yet been made, and the moment when UK and US long bond yields cross decisively cannot be far away. Last night's auction of US Treasury three-year notes is largely for domestic consumption and provides little guide to the outcome of the longer-dated sales. But tomorrow's long bond auction could be the trigger for the cross-over of yields on more than the odd stock.

The last attempt by the gilt market to decouple from the US bond market, in 1984, failed when sterling suffered one of its recurrent attacks. This time round the pound ought to be more firmly based.

After the general election the Government, assuming it is of the same colour, will be free to join the EMS, so holding the pound steady and attracting yet more foreign investment. And on fundamentals, the outlook for inflation and the budget deficit is rather better in the UK than the US.

As for the dollar, currency traders have already dismissed the Reagan/Nakasone meeting as a non-event. Ther is nothing to stop them pushing the dollar down, aside from the short-term fear that the Japanese may after all bail out the bond auctions. After that a dollar defended by little more than words in a market which generally overshoots, stands little chance of stabilising.



Siemens

Siemens is not about to shake off its reputation as a steady but unexciting core holding for the German market but yesterday's half-year figures were certainly more impressive than they seemed. A 4 per cent rise in earnings when the market average is a 5 per cent reduction is quite an accomplishment, even if the yield on turnover has slipped from 2.9 per cent to 2.6 per cent thanks to the inclusion of the Brokdorf power plant.

For the full year Siemens is unlikely to be able to re-scale the 1985 heights of DM 60 per share but DM 58 – a prospective multiple of only just over 12 – is quite respectable given the appreciation of the D-Mark over the past two years.

More important it now seems that the five-year struggle to revitalise the business is more or less complete. The recent lumpiness caused by problems at Kraftwerk Union is now over and one new station a year is expected until the end of the decade.

Several relatively new markets are also looking very healthy, particularly factory automation and the post-Chernobyl trade with the Soviet Union.

Electrical Installations, Medical Engineering and Telecommunications are the divisions with the most immediate growth prospects and the latter two should fare well in the US following the probably fortunate failure to win CGCT.

And at home increased competition at the Bundespost should pose no immediate problem.

Burmah Oil

In these days of treasury management, the disappearance of almost half of Burmah Oil's pre-tax profits into the coffers of a variety of governments looks rather like an avoidable misfortune.

In particular, Burmah's UK earnings are far too slight to generate the corporation tax that would cover the ACT bill, particularly after last year's sale of the North Sea oil interests.

Yesterday's Burmah report and accounts show that the company is beginning to tackle the problem: it proposes to alter its articles of association to allow shareholders to receive new shares in lieu of dividends.

This device is typical of UK companies with an ACT problem; RTZ's Accumulating Ordinary share is one variation on this theme. If 10 per cent of Burmah's shareholders were to take advantage of the new opportunity, then the company's tax bill would be reduced by £1.5m. But there is always the danger that shareholders, having taken the shares in one year, will elect for the cash the next, thus increasing rather than reducing the ACT bill.

This is really harmless tinkering with what has become a large issue: if Burmah was to solve the problem in time-honoured-fashion with the acquisition for cash of UK earnings, it would need to find a company with UK taxable profits of over £25m a year.

That would probably cost at least £250m, although with gearing of only 2 per cent, Burmah's balance sheet is well able to accomodate such a purchase. Indeed, Burmah is known to have deliberated over an offer for the Calor Group – which would have cost around £500m – but was left behind by a spiral of bids from continental groups.

Yet that disappointment is most unlikely to result in a sizable UK bid on the rebound. Burmah has only just finished the rationalisation of a series of mistaken acquisitions which had been driven by the fiscal imperatives of an earlier period.

As if to emphasise the point that global strategy comes before short-term earnings per share, Burmah yesterday announced the purchase, for $19m, of a US industrial oils company.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Wednesday May 6 1987

Rambo film group muscles in on London

By Andrew Baxter in London

SYLVESTER "Rambo" Stallone, the Hollywood megastar whose widely publicised worries about terrorism following last year's US attack on Libya persuaded him that home was the safest place, still appears to be giving Europe a wide berth.

Potential attacks from Libyan-backed terrorists, or even over-fastidious European filmgoers, have now been superceded by the fearsome prospect of a lunch with City of London institutions as a deterrent to a transatlantic trip.

Last week Carolco Pictures, the Los Angeles-based company which owns the rights to the Rambo character, chose the unlikely venue of a City livery hall to explain what Mr Stallone's rippling muscles and economic prose style on the Vietnam front line meant for its bottom line.

But instead of Mr Stallone, a director of the company since January – and a weighty, if technically intangible, asset – Carolco fielded Mr Peter Hoffman, company president and a former Hollywood lawyer, to handle the expected barrage of questions from the City's money men.

In the event, Mr Hoffman, the sort of man who calls a film "a piece of inventory," had an easy ride, leaving brokers enthusing over Carolco's confidence that it can maintain its 40 per cent after-tax margins.

Last year Carolco, 12 per cent of which is owned publicly following a flotation in November, had revenues of $32m and net income of $14.5m, with the success of the two Rambo movies making up for the fact that no new films were released.

Offerings for 1987 include Alan Parker's Angel Heart, now on release in the US, but Rambo fans will have to wait until summer 1988 for Rambo III, a year later than originally expected.

Mr Hoffman diplomatically explained the delay as "a function of his (Mr Stallone's) desires." The company originally chose Mexico as a suitable location for recreating Afghanistan, where, said Mr Hoffman, "Mr Stallone runs up against the Russian army, and of course the Russian army does not prevail."

But Mr Stallone, who is to receive $16m for his role, objected to Mexico for security reasons. He preferred Las Vegas, so the location was changed.

Carolco, however, was not happy. Recreating Afghanistan in Las Vegas, it was felt, would expose Mr Stallone to needless ridicule, a sensitive point for the company given that their star "sat out the Vietnam war as a teacher in a Swiss girls' school," according to Mr Hoffman.

Eventually, the location was changed yet again to a choice between Israel adn Morocco. Mr Hoffman observed that, for cost reasons alone, "getting 3,000 guys and horses to come over a hill is impossible in Vegas. But it is possible in Israel. And it's going to look a lot more like Afghanistan."

Despite the delay, Mr Hoffmann is confident that Rambo is going to be around for a long time. "We think we can get at least into the teens," he says. The initial two films, First Blood, and Rambo: First Blood Part II, were the first to be made by Mr Mario Kassar and Mr Andrew Vajna, Carolco's founders, after many years in film distribution and related activities.

Together, the film's worldwide box office receipts have reached about $400m.

Mr Stallone's fee represents a significant part of the expected $35m to $40m cost of Rambo III, but the company is negotiating to clinch advances and guarantees of $70m.

Siemens raises profits slightly as sales jump

BY ANDREW FISHER IN FRANKFURT

SIEMENS, the West German electrical and electronics group, managed a slight gain in net profits in the first half of this financial year, but the rate of increase lagged well behind that of turnover.

The Munich-based company said its net profits increased by 4 per cent to DM 664m ($375m) in the six months ended March 31, 1987, over the same period of 1985-86. For the first quarter, it had reported a marginally lower DM 296m.

With Siemens' sales in the first six months 18 per cent ahead at DM 26bn, the group's yield on turnover slipped from 2.9 per cent to 2.6 per cent.

The group said its 32 per cent jump in domestic turnover to DM 13.7bn stemmed mainly from the invoicing of the Brokdorf nuclear power station in northern Germany. Without this, it was 5 per cent higher.

Outside Germany, turnover grew 6 per cent to DM 12.3bn. The group's total order backlog was unchanged at DM 55.3bn, slightly above one year's turnover.

The booking of a new power station order in Munich, this time non-nuclear, helped Siemens increase its new order inflow by 7 per cent in the first six months to DM 26.8bn.

New domestic orders were up 10 per cent to DM 12.5bn, although without the power station business of its Kraftwerk Union (KWU) subsidiary it would have registered a slight drop.

New foreign orders were 5 per cent higher at DM 14.3bn, which Siemens termed positive in view of the weakening world economy and the export hindrances caused by the high D-mark.

Siemens said the rise in foreign business reflected a real improvement, since gains from the inclusion of newly acquired companies were roughly the same as declines caused by currency swings.

Investments in the first half were 15 per cent higher at DM 2.9bn because of expansion in existing businesses and the US purchases of Advanced Nuclear Fuels (formerly Exxon Nuclear) and Tel-Plus Communications.

Hachette pursues TV aim despite setback

BY PAUL BETTS IN PARIS

HACHETTE, the leading French publishing group, intends to pursue its efforts to develop a major presence in television broadcasting despite failing to gain control of TF-1, the French state television channel which the conservative government has just privatised.

Mr Yves Sabouret, Hachette's vice-president, said Hachette was committed in the longer term to invest broadcasting, television and films despite the recent TF-1 setback. However, he suggested that the TF-1 disappointment could possibly turn out to be a blessing judging from the difficulties the channel was currently facing.

TF-1 has come under the control of a consortium led by Bouygues, the French construction group, in partnership with Mr Robert Maxwell, banks and other publishing and media interests. However, since taking over the channel, a major controversy has broken out with rival television networks buying up each others' leading stars in what has been compared to first division soccer club transfer battles.

Mr Sabouret also confirmed yesterday Hachette's strong financial performance last year with consolidated group profits excluding minority interests rising to FFr 405.8m ($68m) last year compared with FFr 168m the year before. Group sales rose to FFr 14.7bn last year from FFr 11.6bn the previous year.

Earnings last year include substantial special gains of FFr 190m largely from the sale of Hachette's 8.2 per cent interest in the Compagnie Luxembourgeoise de Telediffusion to the Moët-Hennessy champagne and cognac group. The increase in turnover reflected the acquisition of a 40 per cent in the Europe-1 broadcasting group and of the Curtis magazine distribution group in the US.

Hachette, which expects a further advance in earnings this year, also has liquid assets totalling FFr 700m. The group says that it could easily take on a investment of FFr 1.5bn – FFr 2bn.

The publishing group, which is considering taking part in the launch of a new French daily newspaper next year, is planning to reinforce and restructure its broadcasting, media and film businesses. Despite the group's TF-1 setback, Mr Sabouret believes that "the battle in the communications industry has only just started."

Allegheny Intl hit by buyout collapse

By James Buchan in New York

THE STOCK price of Allegheny International fell nearly 10 per cent in early trading yesterday with the collapse of a $500m plan to take the troubled industrial and consumer products group private.

Allegheny's common stock yesterday fell $2⅝ to $18⅛ in response to an announcement on Monday that the company and First Boston, the investment bank, were calling off their planned leveraged buy-out.

In March, Sunter Acquisition, a subsidiary of First Boston, offered $24.60 a share for the common stock of Allegheny, which makes appliances under the Sunbeam and Oster brand names.

But Sunter was unable to acquire the necessary two-thirds of Allegheny's prefered stock after Spear, Leeds & Kellogg, a Wall Street firm owning 16.3 per cent of an issue of convertible preferred stock said an $87.50 per share offer was not fair value for its stock.

Allegheny said it would review its options, including continuing as a public company. The Pittsburgh-based group, which reported a first-quarter loss of $43.4m on $310.6m of sales, has been hampered by debt originally taken on to diversify into consumer appliances.

In March, Allegheny said it was selling Wilkinson Sword, its razor and blade business, to Swedish Match. Separately, Allegheny said yesterday it had started talks with Mellon Bank to extend the company's secured revolving credit agreement.

Mellon is agent for a group of banks which entered into a revolving credit agreement with Allegheny on April 29 which expires at the earliest on August 31, at completion of the Sunter deal or 21 days after the termination of the merger agreement.

John Wyles on plans to protect the future of one of Italy's leading companies

Fiat chief aims for a family affair

IN A brief television interview on Monday evening, Italy's richest and most celebrated citizen, the Avvocato Gianni Agnelli, forecast that by the year 2,000 the size of his family would mushroom from around 50 to somewhere in the region of 200.

Apart from implying a degree of fecundity somewhat higher than the national average, the president of the Fiat Group was pointing to the potential difficulties of ensuring stable ownership for one of the world's largest family-controlled companies.

Shareholdings in Giovanni Agnelli & Co (%)	
Gianni Agnelli	37.92
Giovanni Nasi	11.56
Umberto Agnelli	10.70
Clara Nasi Ferrero	10.18
Susanna Agnelli	8.44
Cristiana Agnelli Brandolini	5.95
Clara Agnelli Nuvoletti	4.44
Laura Nasi Camerana	3.53
Heirs of Emmanuele Nasi	2.28

Presumably, the incidence of family conflict is not greatly different among the Agnellis, it is just that the consequences could be more serious when the future of a group with annual sales of around $23bn is at stake. Even if not all of the putative 200 become shareholders, the risk that some of the family's 40 per cent stake in Fiat may fall into outside hands for one reason or another must increase.

Hence Mr Agnelli's intriguing creation of a limited partnership which is said to be similar to the vehicle in which the Pirelli family's holdings were first placed in 1883.

Mr Agnelli has managed to persuade his relations to place in the partnership 47 per cent of their shares in Ifi, the holding company for the Agnelli ordinary Fiat stock. With his own 29 per cent of Ifi, the partnership, Giovanni Agnelli & Co now controls 76 per cent of the family holdings in Fiat.

The partnership's rules impose apparently water-tight controls on the disposal of family holdings. Options on shares put up for sale are available only to other blood relatives who may acquire them only in proportion to their existing holdings.

Shares cannot be willed to non-relatives unless they have first been offered to the family and an outsider would only have voting rights if the purchase option was not taken up by the family.

But apart from seeking to ensure that the family shares do not go walk-about, the new partnership also seeks to create a structure for the relationship between the family and the professional management of the group. For more than 25 years, the 66-year-old Avvocato


Mr Gianni Agnelli

himself has mediated between the two as an extremely active group president.

Given the possibility that no proprietor-manager with similar qualities may be available in the future, Mr Agnelli has brought in as managing general partners Mr Cesare Romiti, 63, the group managing director, and Mr Gianluigi Gabetti, 62, the managing director of Ifi. The other two general partners are Mr Umberto Agnelli, 52, the Avvocato's brother and his cousin Mr Giovanni Nasi, aged 68.

The aim is to ensure a useful dialogue between owners and management. "We thought it necessary to create a calm and orderly consultation between the owners and top management so as to provide for the evolving needs of the group," explained Mr Agnelli yesterday.

The fact that Mr Romiti and Mr Gabetti have only a nominal holding in the partnership implies an ex officio role in its management. Since general partners – whose financial liability to the partnership is unlimited – must retire at 75, there is a possibility even that Mr Romiti may for a couple of years be the senior partner with a casting voting right.

In the meantime, full control is vested in the Avvocato until retirement at 75 and, in his absence for any reason, in Mr Nasi.

Interestingly, the family will not have exclusive rights to nominate new general partners nor must Agnellis necessarily be in the majority of general partners. However, a majority of both general and shareholder partners will be necessary for appointment.

The Avvocato's sister, Maria Sole Teodorani Fabbri who owns 9.8 per cent of Ifi is the only significant shareholder to remain outside the new arrangement while three other sisters, Susanna, Cristiana and Clara have left some shares in Ifi. "We have always allowed the family the maximum freedom of decision," commented Mr Agnelli.

Statoil drops to NKr 2.43bn in first-quarter

BY OUR FINANCIAL STAFF

STATOIL, Norway's state-owned oil company, reported a 13.6 per cent drop in first-quarter pre-tax profits to NKr 2.43bn ($363m) from NKr 2.81bn, reflecting weaker oil prices than those seen a year ago.

Statoil said the decline was caused mainly by lower crude oil prices, which averaged about $18 a barrel in the first quarter compared with $19.70 a year ago, although the cheaper oil had boosted sales at retail outlets in Norway, Denmark and Sweden.

The lower prices were also partly compensated for by increased crude oil sales, boosted by production from Statoil's 85 per cent stake in the North Sea Gullfaks oil field, which was brought on stream late last year and now produces some 30,000 barrels a day.

Statoil produced 6.6m cubic metres (41.5m barrels) of crude oil for sale in the first quarter.

● Elkem, Norway's biggest metals producer, said it agreed in principle to sell a 70 per cent stake in its coal-fired power plant at Marietta, Ohio to American Municipal Power-Ohio, a consortium of 83 municipal utilities in Ohio.

The $40m deal, agreed between Elkem's US subsidiary Elkem Metals, based in Pittsburgh, Pennsylvania, and AMP-Ohio, is likely to be completed later this year.

Elkem said it was selling the stake because it was utilising less than half of its 250Mw capacity in its Marietta ferroalloys plant. Elkem, the biggest ferroalloys producer in the US and Canada, has been gradually cutting back North American production in response to weaker market demand.

Belgian group sees possible payout rise

BY TIM DICKSON IN BRUSSELS

SOCIÉTÉ Générale de Belgique, Belgium's largest industrial and commercial holding company, foresees "a further improvement in dividends received" from its investments this year. But "the net result of financial activities will be marginally negative" following recent "drawings made on liquid resources to finance investments," Mr Rene Lamy, the Governor, told the annual meeting in Brussels yesterday.

As previously reported, the 1986 profits were at BFr 5.31bn ($143m) almost double the level of the previous year.

Mr Lamy, who said there should be no difficulty "maintaining or even increasing the dividend on the company's share for 1987," also disclosed yesterday that two new share issues were being planned for this year.

In answer to criticism that existing shareholders had been excluded from a recent D-Mark issue by the company, he said that the bigger operation would be a rights issue on the Brussels bourse but that there would also be a new issue of shares in the Far East. Société Générale announced in February that it was considering an introduction on the Tokyo Stock Exchange.

Conti Gummi advances

BY OUR FRANKFURT CORRESPONDENT

CONTINENTAL Gummi-Werke, the West German tyre and rubber products company, is increasing its dividend for last year after again achieving sharply higher profits.

It said yesterday that shareholders would receive a dividend of DM 6 per share (12 per cent) compared with DM 5 the previous year, when the payout was also raised.

Group net profit totalled DM 114.4m ($64m) against DM 77.2m in 1985. The Hanover-based company's results have nearly tripled in three years.

Conti-Gummi, which will be giving full details of its 1986 performance next week, did not elaborate on the 1986 result. But last year was a record one for the German car industry and the company has also rationalised production extensively in recent years.

Capacity boost for Repap Enterprises

By Robert Gibbens in Montreal

REPAP ENTERPRISES, one of North America's major lightweight coated paper producers, plans to invest $250m in a 186,000 tonnes a year capacity coated freesheet paper machine to replace four older machines at its Kimberly, Wisconsin mill.

Start-up date for the new machine is autumn 1988 and Kimberly will have a net annual increase in capacity of 91,000 tonnes. The new machine will probably be financed by issuing new equity and debt.

Repap is also putting its sulphur-free pulping process into commercial production. About US $6m has been invested in development of the process, which will enable mini-pulp mills, using the modular system, to be built with much lower capital and operating costs than conventional chemical and mechanical mills and be virtually pollution free.

The group plans to construct a 30 tonnes a day plant, starting this summer and getting into production in mid-1988

Repap, which last year bought the Skeena pulp mill and nearby sawmill in northern British Columbia for C$110m ($82.7m), reports first-quarter 1987 net profit of C$12.7m or 27 cents a share, against a loss of C$1.3m a year earlier.

Georgia-Pacific board approves acquisition

GEORGIA-PACIFIC, the US forest products group said its board approved a proposal to acquire US Plywood for about $215m in cash, AP-DJ reports from Atlanta.

The proposed acquisition is subject to a definitive agreement and regulatory approval. US Plywood, which manufactures industrial wood products and distributes building materials, had 1986 sales of $944m. It has six manufacturing facilities and 44 distribution centres and shipping facilities throughout the US.

Georgia-Pacific said its board also approved a capital expenditure for a second white paper machine at the company's Port Hudson, Los Angeles pulp and paper mill.

Volkswagen

In Friday's edition, pre-tax earnings for Volkswagen were misstated due to a production error. Earnings for 1985 were DM 2.7bn, not DM 12.7bn.

INTL. COMPANIES AND FINANCE

Cigna lifts profits to $175m

BY ANATOLE KALETSKY IN NEW YORK

CIGNA, the third largest US property and casualty insurance company, had net income of $175m or $2.05 a share in the first quarter, 84 per cent higher than the $96.3m or $1.14 reported the year before.

At the operating level, Cigna's net income was $126.9m or $1.46 a share, a 77 per cent improvement on the $71.7m achieved in the earlier period.

Consolidated revenues increased only 5 per cent from $4bn to $4.2bn.

As in the case of other leading US general insurance companies, Cigna has benefited greatly from an improvement in the underwriting cycle for property and casualty business. Operating income from property and casualty insurance increased to $89.4m from $13.3m, accounting for more than the whole of the improvement in operating income.

The combined ratio of losses and expenses to premiums earned in the property and casualty businesses improved to 108 per cent, from 114 per cent in the first quarter of 1986.

Among Cigna's other main businesses, income from employee health and life benefits increased only marginally, to $14.2m from $13.8m, employee retirement and savings benefits showed a bigger improvement to $27.3m from $23.1m, while the individual financial services businesses, including life assurance, suffered a decline in profits to $18.2m from $23.7m.

Other operations, including investment and property businesses and unallocated investment income showed a loss of $20.2m, compared with a loss of $2.2m last year.

The decline primarily reflected a fall in property earnings and increased tax expenses, partially offset by the absence of oil energy-related write-downs, Cigna said.

Zurich Insurance forecasts rise

BY JOHN WICKS IN ZURICH

THE ZURICH Insurance Group expects its gross premium volume to rise by some 12 per cent this year in terms of local currency, according to Mr Heinz Portmann, management chairman.

Mr Portmann said this estimated increase did not take into account any possible takeover. Zurich was looking at several possibilities and one acquisition was likely to be announced soon.

He declined to comment on reports that the company was interested in taking over Volksfuersorge, the insurance concern owned by the German trade union movement.

The expected rise in premium volume marks a slowdown in growth in comparison with 1986, when local-currency premium income was up by 20.7 per cent. This is largely attributed to slower expansion in the life-insurance sector.

On the parent company, Mr Portmann said there should be a further improvement in underwriting results because of developments in the US and in reinsurance.

Swiss cement group advances

By John Wicks in Zurich

HOLDERBANK, the Swiss cement company, is to pay an increased dividend in respect of 1986 after a rise in parent company profits from SFr 44m to SFr 50.1m ($34.5m), despite a near doubling of depreciation and provision to SFr 20m.

The board is to propose a dividend equivalent to SFr 105 per bearer share, SFr 21 per registered shares and SFr 10.50 per participation certificate, plus a 3 per cent bonus to mark the company's 75th anniversary.

Holderbank, the world's biggest cement group, reported total consolidated turnover for 1986 of some SFr 3.8bn – an 8.9 per cent decline from the previous year.

Despite the fall in turnover, which reflected currency factors, group cashflow improved by 4.2 per cent to SFr 675m and net profits by 42.8 per cent to SFr 239m.

GRANVILLE

SPONSORED SECURITIES

High	Low	Company	Price	Change	Gross Yield div.(p)	%	P/E
161	118	Ass. Brit. Ind. Ordinary	157	—	7.3	4.6	9.8
163	121	Ass. Brit. Ind. CULS	163	—	10.0	6.1	—
40	28	Armitage and Rhodes	37	—	4.2	11.4	5.2
80	64	BBB Design Group (USM)	75	—	1.4	1.9	17.9
227	166	Bardon Hill Group	227	—	4.6	2.0	26.8
145	66	Bray Technologies	145xd	—	4.7	3.2	11.6
138	75	CCL Group Ordinary	135	—	2.9	2.1	9.6
107	88	CCL Group 11pc Conv. Pf.	101	—	15.7	15.5	—
271	116	Carborundum Ordinary	136xdc	+1	5.4	3.9	11.6
94	90	Carborundum 7.5pc Pr.	94	—	10.7	11.4	—
125	75	George Blair	96	+1	3.7	3.9	2.5
176	119	Isis Group	121	—	18.3	—	—
125	101	Jackson Group	125	—	6.1	4.9	8.6
377	290	James Burrough	370	+2	17.0	4.6	10.4
100	89	James Burrough 9pc Pf.	94	—	12.9	13.7	—
1035	342	Multihouse NV (AmstSE)	610	—	—	—	32.0
402	260	Record Ridgway Ordinary	402	+2	1.4	—	8.1
100	83	Record Ridgway 10pc Pf.	86	—	14.1	16.4	—
91	67	Robert Jenkins	83	—	—	—	3.7
87	30	Scruttons	87	—	—	—	—
164	67	Torday and Carlisle	156	—	5.7	3.7	9.5
340	321	Trevian Holdings	330	—	7.9	2.4	6.9
91	42	Unilock Holdings (SE)	86	−1	2.8	3.3	15.8
143	66	Walter Alexander	143	—	5.0	3.5	13.7
200	150	W. S. Yeates	190xd	−6	17.4	9.2	19.0
116	67	West Yorks. Ind. Hosp. (USM)	111	—	5.6	5.0	15.9

Granville & Company Limited
8 Lovat Lane, London EC3R 8BP
Telephone 01-621 1212
Member of FIMBRA

Granville Davies Coleman Limited
27 Lovat Lane, London EC3R 8DT
Telephone 01-621 1212
Member of the Stock Exchange

INTERNATIONAL COMPANIES and FINANCE

Small first-quarter loss for CRA

BY CHRIS SHERWELL IN SYDNEY

CRA, the Australian resources group which is 49 per cent-owned by the Rio-Tinto Zinc of the UK, has made a small loss in the first quarter of the year before extraordinary items and may achieve a lower annual trading result compared with 1986.

But Mr John Uhrig, the chairman speaking at the group's annual meeting in Melbourne yesterday, called the overall picture encouraging, pointing to a strengthened balance sheet and a vigorous exploration effort.

He blamed the lower first-quarter sales on the timing of shipments, but added that this would be recovered. He also pointed out that there were substantial extraordinary gains from the sale of shareholdings in Forrest Gold for A$76.5m and in Australian Fertilisers.

A better overall result was therefore expected compared with 1986, when the group improved its trading position but finished A$112m in the red.

Mr Uhrig confirmed CRA's large gold finds in Papua New Guinea and Indonesia, details of which emerged last month in CRA's first-quarter production report.

He said work was continuing in order to define the limits of a geological resource in excess of 40m tonnes at Hidden Valley, near Wau in the highlands of Papua New Guinea. The find is grading at two to three grammes of gold per tonne.

Another resource, estimated at 25m tonnes and also grading at two to three grammes per tonne, had been found at Kelian in Indonesia.

These finds, reckoned to be comparable in scale to the vast Kidston resource in Queensland, have helped lift CRA's share price on the Australian stock market in recent weeks.

They mean that gold may assume a much larger proportion of the CRA minerals portfolio, which otherwise focuses on base metals, iron ore, coal, aluminium and diamonds.

According to Mr Uhrig, CRA companies, including Bougainville Copper, "could be producing more than three quarters of a million ounces a year in total for the early 1990s."

In iron ore, the company hopes to announce a joint venture in the next few months with the China Metallurgical Import and Export Corporation to open a new mine in the Pilbara of Western Australia in which CRA has a 60 per cent stake and its Chinese partners 40 per cent.

Mr Uhrig also announced that CRA had agreed to acquire from CSR the remaining 50 per cent of the Yandicoogina iron ore deposit in The Pilbara. CRA purchased the original 50 per cent from CSR in July 1986.

On the recent strengthening in value of the Australian dollar against the US dollar, he said group earnings had been adversely affected but the group continued to hedge that part of its foreign debt portfolio relating to Australian assets.

"The timing of a probable devaluation may be uncertain," he said, "but we believe that, when it occurs, it will be substantial." A better policy balance by the Government would result in lower interest rates and more realistic exchange rate, he said.

City banks unwind holdings

By Yoko Shibata in Tokyo

JAPAN'S CITY (commercial) and other private sector banks are expected to dispose of their shareholdings in domestic non-banking companies before the end of this year.

The disposals are expected to bring significant changes in the system of interlocking shareholdings between banks and non-bank companies.

The move results from legislation under which all banks are required to limit their holdings in companies to 5 per cent or less. Holdings in excess of 5 per cent must be sold by the end of this year.

The banks plan to ask their corporate customers and affiliates of the companies concerned to take over part of their holdings and to conduct interbank stock trading to reduce ownership. Some 2,851 companies, owned by city, long-term credit, trust, regional and mutual banks, are subject to the measure.

According to the Fair Trade Commission's survey report announced earlier this week, banks have already reduced their holdings to less than 5 per cent in some 1,331 companies.

MMC sees better profit performance

By Wong Sulong in Kuala Lumpur

MALAYSIA Mining Corporation (MMC), the world's biggest tin mining group, has reported a 19 per cent drop in net profits to 14m ringgit (US$5.7m) on turnover down 30 per cent to 323m ringgit for the year to January.

It was the fourth successive year of falling profits, but the group said it expects a better profit performance in the current year after the recent improvement in tin prices and with the benefits of a major cost-cutting exercise. The company is restoring a final dividend of 1 per cent per share.

MMC recorded an operating profit of 8.5m ringgit, due to lower tin prices, but profits from associated companies rose by 85 per cent to 21.6m ringgit.

This is largely due to contributions from its 46 per cent-owned Australian associate, Ashton Mining, where profits rose from A$9m in 1985 to A$29m.

MMC also recorded an extraordinary profit of 155m ringgit (compared with a loss of 68.8m ringgit in 1985) arising from the write-back of provisions for the diminution in value of its investments, particularly its 15 per cent stake in Sime Darby.

Southern Sun sinks into the red

BY JIM JONES IN JOHANNESBURG

SOUTHERN SUN, South Africa's largest hotel chain, benefited from an unexpected improvement in tourism to the Cape and increased business travel in the latter part of the year ended March 31.

Nevertheless, the company fell into a pre-tax loss and Mr Bruno Corte, the managing director, warns that profits are likely to remain restrained this year by the cost of carrying substantial unutilised capacity at the new Johannesburg Sun hotel.

Turnover increased to R263m ($132m) from R224m, but operating profit before interest and tax dropped to R8.8m from R15m and led to a pre-tax loss of R586,000 against last year's R223,000 profit.

The hotel industry has been particularly badly hit by declines in foreign tourist arrivals caused by the country's unsettled politics and the recession's effect on local tourism spending.

Foreign tourist arrivals have picked up recently but, though Mr Corte expects hotel occupancies and average room rates to improve this year, he warns that the first half could result in a seasonal loss. Earnings dropped to 2.7 cents a share from 4.4 cents and the dividend has been cut to 2 cents from 3 cents. Southern Sun is a subsidiary of South African Breweries.

Reduced deficit for Wit Nigel

BY OUR JOHANNESBURG CORRESPONDENT

WIT NIGEL, the small independently-run South African gold mining company, managed to reduce its operating loss in this year's March quarter by concentrating on mining higher grade ore and by sharply reducing development expenditure.

Nevertheless, the mine remained in the red and was kept afloat by state assistance. Mill throughput was cut to 107,000 tonnes in the March quarter from the December quarter's 118,000 tonnes, the recovery grade was increased to 2.53 grams per tonne (g/t) from 2.20 g/t and the unit cost of mining and processing each tonne of ore was reduced to R74.94 from R82.13.

The development rate is too low for adequate replacement of ore reserves and the directors say that the development rate will be increased later this year provided sufficient finance is available.

Last month, an attempt was made to unseat Mr Peter George from the chairmanship and to remove his appointees from the board. Mr Tony Norton, the president of the Johannesburg Stock Exchange (JSE), has criticised Mr George's handling of the vote which allowed him to retain his chairmanship.

Mr George refused to accept votes against him by Swiss shareholders and used proxies to vote a crucial block of American-owned shares in his favour even though the shareholder wanted to vote against him. Dividends have not been paid since 1980 and, periodically, Mr George suggests that revenues be diverted as tithes to his church.

Birla and Poddar to take control of GKW

BY JOHN ELLIOTT IN NEW DELHI

GUEST KEEN Williams (GKW), the loss-making Indian offshoot of GKN of the UK, is gradually to come under the control of Birla and Poddar, two of India's large industrial houses.

Mr K. K. Birla, a Congress I member of the Indian parliament, is buying a stake of just over 7 per cent in the Calcutta-based company from GKN, subject to finalisation of details with the Indian government. The Poddar family is expected to become involved in the management.

GKN's shareholding will go down from 47.5 per cent to just under 40 per cent, removing GKW from restrictions on expansion imposed by India's Foreign Exchange Regulation Act. Mr Birla will nominate two members of the board and will have the first option to buy any further shares off-loaded by GKN.

This is the latest in a series of deals in which prominent Indian entrepreneurs have bought minority stakes and some degree of management control in ailing British companies such as Dunlop, Metal Box and Davy Ashmore.

Mr Birla, aged 68, heads one of the main sections of his family's industrial empire which is the largest in India. The purchase is to be made through his main finance company, Sutlej Cotton.

However, he is expected to bring in Mr Saroj Poddar, the husband of one of his three daughters, who is running diversification plans for the Poddar family's Calcutta-based industrial house. Mr Poddar already has a new razor blade joint venture with Gillette of the US.

Under a separate deal, Mr Poddar is buying a 51 per cent holding in Sankey Wheels, which is jointly owned by GKW and GKN. This indicates that motor components are one area which the Poddar-Birla interests want GKW to tackle with Sankey.

GKW, which produces alloy steel, industrial fasteners, electric stampings and pressed metal components, has been making losses for five years. In 1986 there was an operating loss after depreciation of Rs 40.3m ($3.1m) on sales of Rs 2.13bn, compared with a loss of Rs 17m on Rs 2.09bn sales in 1985.

The company has been looking for an injection of new cash and management, but this has not been available from its UK parent. A Rs 210m ($16m) modernisation plan has been drawn up, and the financial institutions are believed to want the company to contribute at least Rs 50m, which is now expected to come from the Birla-Poddar interests.

Last year GKW tried unsuccessfully to strike a long-term management relationship with Tata, India's second largest industrial house. Tata has had a 5 per cent stake for many years. It says it backs the Birla move and has no plans to dispose of its interest.

Eurosterling prices up on hopes of base rate cut

BY CLARE PEARSON

ALL EYES in the Eurodollar market were fixed on US Treasury bonds yesterday, ahead of the commencement of this week's $29bn refunding programme.

Eurobond dealers marked prices sharply down at te outset in response to Monday's falls in the New York markets, though some issues staged tentative recoveries later to end the day between ¾ and 1¼ points lower than Friday's close.

In other areas of the Eurobond market, turnover was slow to gather momentum after the long weekend break. But Eurosterling bonds achieved gains of up to one point in active trading on rising hopes of a further cut in UK base rates, which dealers believe could amount to one full percentage point.

A thin trickle of deals emerged in the new issues market, including the first bond with gold warrants to emerge for about a fortnight. This was for BFCE, the French state agency.

The Ecu 100m 4¾ per cent seven-year deal bears three-year warrants entitling the holder to buy an ounce of gold for $510.

Demand for the issue yesterday was muted as the price of gold fell by about $4 from $463, its level at the time that the bond was priced. The deal, led by Salomon Brothers International, was quoted at less 1⅞ bid, the level of its total fees.

Two issues emerged in the Australian dollar bond market. The first was an A$50m five-year issue for State Bank of South Australia, which was designed to appeal to investors expecting the yield curve in the Australian bond market to remain inverted—with rates on shorter-dated bonds higher than those on longer-dated issues—for the next few years.

INTERNATIONAL BONDS

The five-year bond will have its coupon refixed annually in line with the yield on the one-year Australian government bond, 15 days before the coupon date. The investor is able to put the bond, priced at 101½, at par seven days before the coupon date.

The first coupon is fixed at 14½ per cent. The issue was quoted at less 1½ bid, the level of its total fees.

Late in the day Credit Suisse First Boston led an A$50m 14½ per cent two-year issue for Credit Suisse, priced at 101⅞.

Prices of Euroyen bonds were firmer in quiet trading, and IBJ International led a Y14bn 4⅝ per cent five-year deal for Ford Motor Credit. The issue, priced at 101½, was regarded as attractively priced since it gave a yield about 10 basis points higher than those on outstanding Euroyen bonds for corporate borrowers.

Banque Paribas Capital Markets launched a $330m issue for floating rate notes secured on three existing Ecu-dominated fixed-rate Republic of Italy issues.

The FRN pays interest at a rate of $\frac{1}{16}$ points over three-month London interbank offered rate, and is priced at par.

In the D-mark sector, a DM 200m issue was launched late on Monday for the Inter-American Development Bank through lead manager Deutsche Bank. The bond, the first issue in the currency, by a supranational borrower since mid-March, carried a 6 per cent coupon and a 10-year issue. The issue was trading well within its fee discount of 2 per cent.

The secondary market for Euromark bonds firmed by around ¼ point in fairly active trading, helped by the reopening of the London market after the long weekend and the weaker dollar.

The West German government market was up by up to half a point at the longer end.

The Swiss franc market was little changed on the day in average volume.

France to cease naming borrowers

BY OUR EUROMARKETS STAFF

THE FRENCH franc Eurobond issuing committee, which comprises the Treasury and leading French banks, has decided to cease naming borrowers which are planning issues in the French franc Eurobond market at the beginning of each month.

French bankers said yesterday that the decision had been taken because many borrowers have been abandoning scheduled issues over the past few months, in response to a deterioration in market conditions in the French franc Eurobond sector.

The move was also being viewed yesterday as a means of bringing Eurofranc bond issuing procedures into line with those in other European markets, such as the D-Mark and sterling markets, where the names and amounts of Eurobond issues are not made public ahead of their launch.

The Treasury will still have to approve bond issues and will continue to operate a waiting list, although no borrowers are believed to be on the list this month.

Finex to launch T-bill contract

By David Owen in Chicago

THE FINANCIAL Instruments Exchange (Finex), the New York Cotton Exchange's financial futures division which last month agreed to allow New York Futures Exchange members access to its products, today launches a futures contract on five-year US Treasury Notes.

Exchange officials believe that the contract will fill "an obvious void" in the intermediate-term interest rate futures market.

"Until five-year Treasury note futures, futures market protection didn't exist for on the run interest rate risk specifically in the three to five year range," according to Finex Chairman, Mr Paul Jones. Mr Jones expects the contract to appeal to firms involved in interest rate swaps and mortgage-backed and government securities.

Others are less sanguine about the contract's chances, although the recent upsurge in volatility in the cash bond markets has done no harm to its initial prospects.

"We have looked at other maturities in the yield curve but had no enthusiasm," according to Mr Tom Coleman of the Chicago Board of Trade, whose US Treasury bond contract is the world's most actively-traded future. "People do an amazing amount of cross-hedging in the different maturities," he added.

The tiny New York Exchange's track record in previous launches is reasonably good, however. Its US dollar index future traded an encouraging 166,494 lots in 1986.

Meanwhile the exchange appears, somewhat improbably, to have emerged victorious from a duel with the mighty Chicago Mercantile Exchange for dominance in the limited European Currency Unit futures sector.

UK Third Market lobby plan

By Alice Rawsthorn in London

THE CHIEF EXECUTIVE of a company quoted on the London Stock Exchange's new Third Market has floated plans for a Third Market Companies Association, which would lobby on behalf of companies quoted on the market.

Mr Greg Thain of Publishing Holdings has sent a circular to the chief executives and managing directors of other companies traded on the Third Market, suggesting that they band together to form an association.

He envisages it as an informal body, which would meet regularly – possibly at quarterly intervals – to canvass the views of Third Market companies and to communicate these to the stock exchange.

The Third Market, a forum for dealings in the shares of small companies, has met a mixed reception since its introduction in late January.

After a flurry of interest in the opening week, the turnover of shares has been relatively sluggish and the influx of new issues has waned.

The Third Market index, compiled by the stockbrokers Credit Suisse Buckmaster & Moore, has yet to regain its original base of 100. However, its performance has been distorted by Eglinton Oil & Gas, by far the largest third-tier stock, which has depressed the index.

Battle pledge by holders of Dome bonds

A GROUP representing several dozen holders of unsecured Swiss franc bonds and notes issued by Dome Petroleum said yesterday it would fight for the same treatment as the company's secured bank creditors, Reuter reports from Zurich.

Mr Alexander Lader, a Swiss hotelier and founder of the group, said his members would not accept repayment of the 35 per cent of their debt proposed by Amoco, the US energy company, as part of its planned C$5.1bn (US$3.7bn) takeover of Dome.

An executive at Credit Suisse, which lead-managed the total SFr 300m ($207m) of debt for Dome, also confirmed at least one Swiss bondholder had taken Dome to court in Zurich. He gave no further details of the court case.

Ecu bond prices

AS A RESULT of technical difficulties, incorrect prices for several Ecu straight bonds appeared in yesterday's FT/AIBD International Bond Service. Next Monday's prices will show changes from adjusted correct prices.

Fecsa tries to rearrange its debts

David White on the problems facing a leading Spanish utility

FIRST IT was anarchist revolt in 1919. Thirty years later it was a long-running bankruptcy case. Now Barcelona's main power company is in the thick of it again.

Mr Luis Magaña, recently sent in to sort out the problems of Fuerzas Electricas de Cataluña (Fecsa), is due to confront international banks in London today over his plans for rescheduling $1.2bn of foreign-currency loans. Two months ago it seemed that debt negotiations were going to be rapid and polite. They now look increasingly like being neither.

Fecsa, one of Spain's six main electrical utilities, had total debt of $5bn at the end of last year. Servicing it took up almost 55 per cent of its annual sales of Pta 136bn ($1.09bn). It is not asking creditors to write off debt, but its tough approach to reducing costs has incurred bitter reactions.

The utility is currently in default on two counts, by suspending principal repayments on bank loans in March and, from the end of last week, by unilaterally applying the lower interest rates it is asking for. Foreign bankers claim they were led by the Government into supporting the company, and then left in the lurch. As the affair goes on, so the risk grows that one of the banks will call in its loans and force a court-supervised settlement.

How does an electricity company, not vulnerable to the usual forces of competition, in a sector closely watched over by the Government, get into trouble in the first place?

Fecsa, the main supplier in Catalonia, started out in the early 1950s from a background of celebrated affairs. Its predecessor, Riegos y Fuerzas del Ebro, a foreign-owned hydroelectric company more popularly known as La Canadiense, was the scene of Spain's most famous labour conflict, sparking off the 1919 general strike in Barcelona. In 1948 the parent company, Barcelona Traction, Light and Power, was declared bankrupt after failing to pay interest on bonds, leading to more than 20 years of legal wrangling with Belgian shareholders. Mr Juan March, the Majorcan entrepreneur, picked up the power offshoot for a trifling Pta 10m.

Relaunched as Fecsa, the company became a leading force in Spain's nuclear energy programme. The March family progressively reduced their stake, getting out as cleverly as they got in. Recently some other Spanish banking interests, notably Santander, also reduced their exposure in the company.

The weaknesses were evident at least from the middle of last year with the audited 1985 report, but foreign banks were apparently confident that the Government would sort them out.

The disequilibrium in Fecsa's finances arose from heavy investments, including some $2bn, in a twin-reactor nuclear plant at Asco in the south of Catalonia. Under a 1985 asset-swap programme agreed among Spain's utilities, Fecsa sold off Pta 214bn worth of production capacity and market share. But it was still left with a heavy financial burden.

It announced a pre-tax profit of Pta 5.7bn for 1985, enough to cover dividends, but the auditor, Arthur Andersen, made clear that the company would have shown a loss if "generally accepted accounting practices" had been applied. The auditor's main complaint was the extent to which Fecsa had capitalised its expenses, putting them down as an asset to be depreciated later, rather than as a charge on its balance sheet.

Projections made up to 1992 showed a build-up of Pta 193bn in costs that the company could not absorb, but would defer on the basis that they would later generate a corresponding income.

Not allowing for these accounting mechanisms, Fecsa's losses are put at Pta 38bn for 1985 and Pta 41bn for 1986, with further deficits projected over the following six years.

Mr Magãna's plan would bring the total debt down from Pta 626bn to under Pta 500bn in 1992, compared with a forecast of Pta 714bn the way the company was heading. The accumulation of deferred costs would be cut to Pta 26bn.

The plan includes selling non-electrical interests, refloating loss-making subsidiaries, and cutting 1,000 of Fecsa's 4,600 jobs as part of a Pta 25bn savings programme.

For most of its bank debt it proposes putting off repayments on principal until mid-1994, and then paying 10 half-yearly instalments. Interest up to the end of 1990 would be slashed to below the cost of funds on the interbank market. Dollar and European currency unit loans would receive 1.5 points below London interbank offered rates, sterling loans two points below, Swis franc loans one point below Libor and peseta loans (which amount to another $870m) two points belo wthe Spanish Mibor rate. Only from 1991 would there be a positive spread of ⅜. Yen loans would have interest cut to 5.5 per cent.

Fecsa meanwhile plans to refinance Pta 194.5bn-worth of outstanding bonds with a jumbo 10-year issue in September, carrying an initial 9 per cent coupon.

Other companies in the sector are being asked to plough in "at least" Pta 18bn—from special set-asides—in a two-stage operation to increase Fecsa's Pta 92.7bn capital by Pta 29bn.

Foreign banks, which are seeking more government commitment, are holding off credit for other electricity companies. Share prices for utilities have dropped sharply since the Fecsa affair "broke" in February with the suspension of trading in Fecsa stock.

The authorities have insisted that Fecsa is an isolated case, but bankers are warning of a potential "domino" effect, hitting other private sector utilities in fairly rapid succession if their access to new finance continues to be cut off. Their combined foreign debt amounted to $6.8bn at the end of last year, some 28 per cent of Spain's total foreign debt.

According to Research Associates, a Madrid firm of financial analysts, the rest of the sector has refinancing needs of Pta 577bn ($4.6bn) this year alone. As an alternative to demanding that lenders make the sacrifices, they propose that other private and public-sector utilities should jointly bail out Fecsa over the next few years.

Sharp rise in swap deals

BY ALEXANDER NICOLL

THE EXPLOSION in the size of the worldwide interest rate swaps market was underlined yesterday by figures from the New York-based International Swap Dealers' Association, a trade body, showing outstanding contracts of $313bn at the end of 1986.

Britain's Export Credits Guarantee Department meanwhile announced that it had arranged swaps converting a further $1bn of floating rate exposure to fixed rates, following a $2bn similar deal at the end of last year. Both were arranged by Kleinwort Benson Cross Financing.

The overall size of the swaps market was estimated from a survey of 36 dealers active in the market, who reported 14,082 transactions outstanding. At the end of 1985, 33 dealers had reported 6,978 swaps with a total value of $170bn.

Although the figures cover only dollar interest rate swaps, non - US counterparties accounted for 47 per cent of the market.

Flood of equity offerings

BY OUR EUROMARKETS STAFF

THE international equities market saw a flurry of activity yesterday, with new offerings for Wardair, a Canadian airline, and International Service System of Denmark, an issue of warrants to sell shares of Switzerland's Brown Boveri, and the pricing of shares in Tiffany, the New York jeweller.

Credit Suisse First Boston and Dominion Securities are handling the international sale of 35 per cent of an issue of subordinated voting shares in Wardair,

International Service System, a building maintenance concern, is raising DKr 175m through an offering

Citicorp Investment Bnak is arranging an issue of 30,000 put options on shares of Brown Boveri, the engineering company.

Shearson Lehman Brothers priced the Tiffany shares at $23 and increased the offering by 500,000 shares to 4.5m.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on May 5

US DOLLAR STRAIGHTS

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olivetti Intl. 5½ 95	100	†104¼	104½	+1¼	+0⅛	4.84
Pepsico 5¼ 95	150	*†104⅛	104⅝	0	−1⅛	4.61
Prov. of Manitoba 4¾ 94	200	†102½	102¾	+0¼	+0¾	4.33
Ralston Purina 5⅝ 94	125	†102¼	103	−0⅛	−0⅛	4.90
Settsu Euro. 0 01	100	*†46⅛	46½	0	+0¼	5.75
Tohoku Elec. Pwr. 4⅞ 96	150	†99¾	100	+0⅛	+0⅛	4.89
USX Corpn. 5¾ 98	100	†96¼	96½	+1	+0⅜	6.20
World Bank 5¼ 94	150	†105	105¼	0	0	4.38

Average price change on day +0⅛ on week 0

[illegible] Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The prices over the past week were supplied by: Kredietbank NV; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; J. Henry Schroder Wagg and Co.; Bank of Tokyo International; Chemical Bank International; Chase Manhattan; Citicorp International Bank; Daiwa Europe NV; Credit Commercial de France (Securities); EBC Amro Bank; LTCB International; Robert Fleming and Co.; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch Pierce Fenner and Smith; Morgan Stanley International; Nikko Securities Company (Europe); Nomura International; Orion Royal Bank; Samuel Montagu and Co.; Societe Generale Strauss Turnbull; Sumitomo Finance International; Swiss Bank Corporation International; S. G. Warburg and Co.; Wood Gundy.

UK COMPANY NEWS

Sun Life denies merger talks

BY ERIC SHORT

THE BOARD of Sun Life Assurance Society yesterday put an end to speculation over the group's immediate future by denying that it was holding merger talks.

Weekend speculation that Sun Life was in discussion with another life company, Pearl Assurance, brought a categorical denial from Pearl's chairman, Mr Einion Holland.

Sun Life's shareholders can now concentrate on the immediate issue facing them at next week's annual general meeting—the proposal put forward by TransAtlantic Insurance Holdings, its largest shareholder, *for the election of three of its* top executives to the board of Sun Life.

TransAtlantic holds 25.7 per cent of Sun Life, and Liberty *Life of South Africa holds 48* per cent of TransAtlantic.

Sun Life regards the move as an attempt by Liberty Life to gain control "by the back door."

TransAtlantic has encountered bitter opposition from Sun Life's board headed by its chairman, Mr Peter Grant, who has regarded the opposition to the proposal almost as a personal crusade.

He is reported to have said at the weekend that Sun Life the Pearl and others. This was had from time to time talked to taken by the press to imply that these talks were examining the possibilities of a merger.

Mr Grant was still insisting yesterday that Pearl and Sun Life would be a good fit if ever the two companies did decide to get together.

The cumulative attacks by the Sun Life and its chairman brought a stinging rebuke from Mr Michael Middlemas, managing director of TransAtlantic, and one of the three people proposed for board representation.

He claimed to be continually amazed at the comments made, the manner in which they were made and the expense incurred *in making them.*

He said the series of rumours were damaging Sun Life's business and whoever else happened to be linked with Sun Life.

Meanwhile shareholders received the latest communication from Sun Life board concerning the proposed nominations.

In moderate language the board says that directors must represent the interests of all shareholders and not one section. It claims the present Sun Life board has always been a harmonious and united entity, working as a team.

Finally, the board claims the reasons for the proposed nominations were to enable TransAtlantic to make a major contribution to the future development of Sun Life. They said this implied a different future for the group than the present board would choose.

However, the market still *feels there is something going* on behind the scenes. Sun Life's share price rose ¼ to 11⅞ while Pearl's climbed 5p to 365p.

Hopkinsons maintains growth with 34% rise

GROWTH HAS continued apace at Hopkinsons Holdings, engineering group, and for the year ended January 31 1987 the pre-tax profits rose 34 per cent, from £6.83m to £9.14m.

Earnings moved ahead from *25.08p to 33.91p per share,* and the final dividend is 7.25p for a net total of 2.5p higher at 10p. Also proposed is a 50 per cent scrip issue.

Turnover of the group—maker of various types of valves for a variety of industries—rose 17 per cent to £77.25m, while the operating profit advanced 40 per cent, from £6.42m to £9m. That reflected an increase in margins from 9.76 to 11.65 per cent.

Interest, other income received and other charges were down to £134,000 (£403,000).

The tax charge was £2.19m (£1.69m) and the dividend absorbed £2.04m (£1.53m).

The 50p shares are to be subdivided into 25p shares. *Then there will be a scrip issue of* one new 25p share for every 50p share, prior to the subdivision; holders registered May 29 will qualify. Annual meeting, June 2.

● comment

Hopkinsons Holdings has had *another good year with* the buoyant spares and replacements markets more than making up for the lack of new power stations. Operating margins have firmed, up almost 2 per cent to 11.6 per cent, as keeping old power stations going is proving very profitable *for a key part supplier. The first* full year's contribution from Atwood & Morrill (about £1.4m) in the US also helped. The end of 1987 should see the first orders from Sizewell B, about £½m worth, but it will not be until after the election that those in government will decide between three-to-five new nuclear power stations or coal/oil equivalents. Either way Hopkinsons order books from 1988 onwards look to be *filling up nicely. Between now* and then things could be a little uncertain. British Gas cut back orders ahead of its year-end so producing a flat first quarter of 1987 for many of its suppliers. As a result £10½m rather than £11m looks likely this year. The shares at 438p are on a prospective p/e of 12.

Silentnight recovers to record £5.3m

A FULL recovery in profits has been made by Silentnight, the bedding and furniture manufacturer, in the year ended January 31 1987. At £5.27m pre-tax they were just ahead of the previous best £5.24m recorded in 1983-84.

And the company was expecting the current year to be even better. Turnover for the first quarter was well ahead of the same period last time, the directors stated.

After the nominal 1p payment last year, the dividend is raised to 3p net with a final of 2p.

The previous two years were poor for the company. In 1984-*1985 it suffered from intense* competition

In the following year the company was severely disrupted by a lengthy industrial dispute at Silentnight Beds, and could only manage profits of £270,000.

Mr Tom Clarke, group founder and non-executive chairman, said the year's achievement was underlined by the strong performnce of the companies comprising the bed, upholstery and furtiure manufacturing group, and by the sale of the two loss-making businesses.

In bedding, which accounted for 60 per cent of turnover, ground lost through the strike continued to be regained.

Mr Clarke was confident that trend would continue.

Particularly encouraging, he *said,* was the *increase* in average selling price which reflected the policy of adding value wherever possible.

After two years of confining capital expenditure *to essentials,* the group planned to return to substantial investment. More than £6m was earmarked for the current year to ensure it had the most efficient plant and machinery.

Turnover in 1986-87 rose by 21 per cent to £86.49m (£71.3m) and *the trading profit surged* from £719,000 to £5.4m. After tax £1.99m (£18,000) earnings were 7.31p (0.56p).

● comment

This was a strong advance from Silentnight but it does no more than restore the levels of profitability seen in the three static years from 1982 to 1984. Similarly the share price, down 2p at 107p yesterday, has only recently surpassed its previous record high of 86p exactly four *years ago today. If recent* gains have all been a matter of recovery, the company is going to find it harder going to produce solid growth. Its markets are fundamentally mature—bedding sales are putting on only a couple of percentage points a year, and that at a time *of* buoyant consumer spending—so most of the improvements will have to come from expansion of market share and greater efficiency. There are signs that both are coming through in the current year and a forecast of £6.5m will probably turn out to be conservative. However, the prospective price/earnings ratio of 11 seems to leave little to go for in this unglamorous sector of the stock market.

Mountleigh talks over terms with Stockley

By Paul Cheeseright, Property Correspondent

MR TONY CLEGG, chairman of Mountleigh, the Yorkshire-based property trading and investment group, today hopes to announce an agreed *takeover for Stockley,* valued by the market at £317m.

The two companies were locked in talks, seeking to work out the terms. "I believe we can do a deal, but it is not yet done," said Mr Clegg during a break in the negotiations.

He remained close-lipped about any possible terms, but noted that Mountleigh was very liquid at the moment. Mountleigh had so far *realised £130m gross from the* disposal of property assets in the United Real portfolio, purchased last August.

He also referred to the recently signed agreements for a £110m multi-option credit facility and a £60m Swiss franc bond issue.

This suggests that Mountleigh was seeking to negotiate a cash and paper deal *for* Stockley.

The talks took place against *a background of a slipping* Mountleigh share price. The market took the shares down 15p to 272p after Mountleigh had confirmed in the morning that it was seeking the takeover of Stockley.

Stockley shares, which on Friday had jumped 9p to 126p *when it announced it was in* talks with an unnamed potential bidder, went harder on the disclosure of Mountleigh's involvement but then sagged to close 1p lower at 124p.

Mountleigh's target is best known for its business park development, Stockley Park, *near Heathrow Airport.*

Stockley has also pursued asset growth through the purchase of property for shares, most notably in the case of the £61.5m *portfolio* from European Ferries.

The result of that transaction was to leave P & O, now the owner of European Ferries, with 29.9 per cent of Stockley's voting ordinary shares.

...Mountleigh, itself, has grown through its ability rapidly to turn over property portfolios, of which United Real os a notable example.

Yesterday Sheraton Securities International announced it was spending more than £13m to buy Mountleigh properties in the Mayfair area of London.

Stockley's pre-tax profits in the year to last November jumped 107 per cent from the previous year to £7.82m.

Good final quarter pushes Minet to £36m

BY ERIC SHORT

AN UNDERLYING growth of around 9 per cent in pre-tax profits in 1986, *from £33.1m to £36.2m,* is reported by Minet Holdings, the international Lloyd's and general insurance broker and underwriter, following a very good final quarter.

The actual increase allowing for the exceptional item in the previous year was 21 per cent.

Net profit last year, before allowing for extraordinary debits, amounted to £20.9m, compared with £16.2m, with earnings per share of 26.99p against 20.95p.

However, Minet has set aside £12.2m in extraordinary items—a full provision of £12.9m to meet the cost of implementation of the Lloyd's proposals for the settlement of the PCW affair, less a writing back of £700,000 of provision made in 1981 for tax liabilities on the disposal of certain investments.

This extraordinary item left profit attributable to shareholders for 1986 at £8.7m, *almost half that of* the previous year.

Nevertheless, the profit in 1986 was sufficient to cover a proposed increase of 18 per cent to 9.43p in the dividend payout, at a cost of £7.3m. The final is 6p.

Turnover for the year rose by 22 per cent to £105m, breaking the £100m barrier for the first time.

Profits benefited by £2.3m from favourable exchange rates and the group's policy of hedging US dollar income of UK broking companies.

The group regarded the provision of £12.9m as the final settlement for the PCW affair, and it would bring the cumulative outlay for this syndicate's affairs to £30m.

● comment

The market was pleasantly *surprised* by the final quarter's results of Minet which led to a near *10 per cent rise in* pre-tax profits under conditions of uncertainty in exchange rates, interest rates and capacity. The group's main progress came from its Canadian operations and its professional indemnity broking *operations.* However, expenses continued to rise sharply, the group being hit, rather ironically, by professional indemnity costs.

The trading outlook for 1987 looks more favourable than for the past couple of years, with stability returning to world insurance markets and capacity increasing. Cost pressures appear to be easing on the group. However, the PCW affair still casts its shadow over Minet and until that is out of the way the share price will continue to be held back by this factor.

The share price of 287p up 15p yesterday gives a p/e of 9.3 on forecast earnings per share of 30.5p for 1987, still a low rating for the shares.

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Olives shareholder forces poll

BY SIMON HOLBERTON

THE BIGGEST shareholder at Olives Paper Mill, the Lancashire-based paper maker, yesterday forced a poll of shareholders to determine whether or not to accept the company's accounts and re-elect two directors.

The poll was called for by Mr Nathu Puri, the chairman of Melton Medes, a Nottingham-based paper and carpet manufacturer, who controls 18 per cent of Olives' stock, and supported by Mr Anthony Davies, a small shareholder.

Calls for a vote by shareholders followed the passing of the resolutions by Mr A. T. Heyer, Olives' chairman, on a show of hands, and followed an acrimonious 1½-hour meeting marked by allegations of mismanagement and suggestions of impropriety.

Mr Heyer elected not to hold the poll immediately. Citing the Companies Act, he told that meeting that it was his decision to conduct the poll by post and that shareholders *would* be notified of the result on May 22. Deloitte Haskins and Sells, the company's accountants, would act as scrutineers.

Olives' performance was severely criticised by Mr Puri and his associate, Mr James Philpotts, the chief executive of Milton Medes. The board was passionately defended by Mr Arthur Savill, a small shareholder and former employee, who accused Mr Puri of wanting to acquire Olives. Mr Puri denied this.

Mr Philpotts noted that 1986 was the third successive year in which the company had failed to pay a dividend, although during that time the company's five executive *directors had received benefits* totalling £400,000. He said that the company suffered from a "general lack of husbandry" and described the directors' responses as "a childish and timorous excuse for failure to perform."

Mr Heyer said Olives—which *made a profit before tax of* £84,287 on sales on £8.8m—was grossly undercapitalised, which limited its ability to grow.

"No board of directors has worked as hard as we have worked," he said.

Both Mr Puri and Mr Philpotts asked the chairman *why it was that the board,* consisting only of executive directors, had decided on March 26 to bring in five-year management contracts for board members, and why it was that these contracts allowed all directors to resign and collect two years' pay if more than 25 per cent of the company's shares were to change hands.

Mr Heyer said it was untrue that these contracts were brought in in March. They had always existed and had just been redrawn in March. Also, the contracts were not fixed, but rolling, and the company had sought advice from its solicitors. A sufficiently high remuneration was necessary to keep talent within the company, he said.

The company's other major shareholders—F & C Pacific Investment Trust and the ITC Pension Trust—either abstained *or did not* vote with Mr Puri yesterday.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Ambrose Inv	8.03	July 2	6.39	11.58	9.75
Hopkinsons	7.25	Aug 3	5.5	10	7.5
Minet Hldgs	6	—	4.57	9.43	8
Silentnight	2	—	1	3	1
Jefferson Smurfit	2.49	July 1	2.16	3.61	3.28

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

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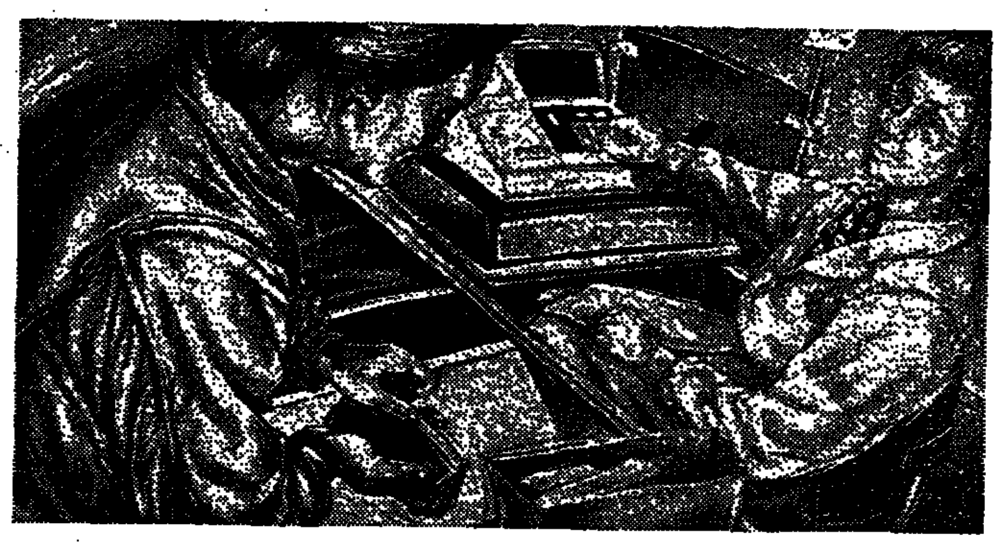

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UK COMPANY NEWS

Australian group buys 26% of Newman Inds.

BY MIKE SMITH

THE TAKEOVER threat hanging over Newman Industries, the industrial rivets and fastenings group, receded yesterday after a 26 per cent stakein the company was bought by a party friendly to the board of directors.

Winterbottom Holdings, the Australian industrial and financial services group, will be Newman's largest shareholder after paying Friends' Provident Life Office nearly £20m for the stake.

Mr John Shepherd, Winterbottom chairman, said yesterday he did not intend to make a bid for Newman. Winterbottom planned other investments in the UK and Newman would be given first right of refusal on all compatible opportunities which became available to Winterbottom.

Shares in Newman rose 8p to close at 63p.

Winterbottom's success is a blow to Suter, the fast-growing light engineering and distribution conglomerate, which had hoped to acquire the stake so that it could launch a full bid for Newman.

Mr David Abell, Suter chairman, offered Friends' 61p in paper and 57p in cash last Friday for each Newman ordinary but his bid was rejected in favour of Winterbottom's 60p cash. He said yesterday that Suter would hold on to its 11.5 per cent holding in Newman "to see what happens" but an immediate takeover launch was now unlikely.

Friends' Provident would not say yesterday how many offers it had received for the Newman stake but Mr Nigel McLean, Newman chairman, said Friends' had two possibilities other than Winterbottom.

Mr McLean welcomed the Winterbottom investment in his company's shares. The chances of a hostile takeover were now diminished and "we can now concentrate on managing the business."

Friends' Provident bought into Newman when shares were languishing at about a sixth of their present level and is thought to have made more than £16m gross through its investment.

Suter, which has been stalking Newman for three years, would also show a strong profit if it were to decide to sell its 14m shares. It is thought to have paid an average price of around 35p.

Beazer gets go-ahead for £40m ADR issue

By Nikki Tait

C. H. Beazer, the acquisitive building and civil engineering group, has secured shareholders' approval for its controversial £40m American Depositary Receipts issue.

The issue, which would originally have increased the company's issued share capital by up to 13 per cent, ran into institutional disquiet because it breached guidelines designed to protect pre-emptive rights.

These stated that any new issues exceeding 6.87 per cent of issued capital and not offering existing shareholders first refusal on the new shares should be questioned.

In the wake of concern about other companies' issues, Beazer decided to halve the size of its own proposals

Last week, the insurance companies also clamped down on the guidelines — reducing the permissible amount to 2.5 per cent of issued capital—but said they would not oppose schemes already in the pipeline.

At yesterday's extraordinary meeting in Bath the revised Beazer issue, which involves 17.5m new shares or 6.62 per cent of issued capital, was approved on a show of hands. business Livingston-Graham for $37.5m.

The issue will take place at the end of May. Yesterday Beazer shares rose 4p to 326p.

Beazer also revealed yesterday that, having raised $58m from the sale of US subsidiary Gifford-Hill's cement plant at Phoenix, it had agreed the purchase of Californian aggregates business, Livingston-Graham, for $37.5m.

Close in £2m venture

BY NIKKI TAIT

Close Brothers, the merchant banking group in which Caledonia Investments—run by the Cayzer family—holds an 11.3 per cent stake, is to invest up to £2m in a newly-formed asset finance company, to be called Close Asset Finance.

The company was set up last September by four former employees of British Credit Trust, a subsidiary of the Bank of Ireland. However, trading only got started at the beginning of April, when the management team left BCT.

Mr David Hardisty, previously operations director of BCT and now managing director of the new company, said that the company would concentrate on corporate asset finance, for transactions of up to £2¼m, and specialise in printing equipment, machine tools, coaches, commercial vehicles and executive cars.

Close has agreed to inject £1m-£800,000 in equity and £200,000 in loan stock for an immediate 75 per cent stake in the company; the management team is putting up £200,000 and will hold the remaining 25 per cent. Close will also arrange facilities for up to a further £14m, plough in a further £1m after three years if pre-tax profits exceed £550,000.

Pittard extends Garnar offer

Pittard, which is bidding for fellow manufacturer Garnar Booth in the face of a rival offer from Hillsdown Holdings. yesterday kept up the pressure by extending its offer for just one week until Friday, May 8. At the first closing date—last Friday — the company had received acceptances from holders of 35.9 per cent of Garnar shares.

Yesterday, Mr David Macdonald, Pittard's chairman, argued that the one-week extension was "a calculation that we are getting where we want to be" and reiterated his warning that the Hillsdown offer could be delayed by monopoly queries.

Morgan Grenfell £15m buy

Morgan Grenfell paid £15m for Phoenix Securities, the investment banking firm formerly controlled by Mr John Craven, its new chief executive.

This was confirmed yesterday by Lord Catto, Morgan's outgoing chairman.

The deal is being financed by £1.3m in cash and £13.7m in convertible unsecured loan stock.

Windsor Securities buys SW Taylor

BY CLAY HARRIS

Windsor Securities (Holdings), the insurance broking group, is to double its size with the purchase of S. W. Taylor and Co (Holdings), another insurance broker. At Windsor's suspension price of 68p, the all-share offer values Taylor at £6.1m.

The combined group will have a total annual income of more than £6.5m.

Two Taylor executives will take key management positions under Mr John Carr, Windsor chairman. Mr Ian Henderson, Taylor chief executive, will become deputy chairman and group chief executive. Mr Stan Taylor, the company's founder and chairman, will head Windsor's broking activities at Lloyd's.

It also emerged yesterday that Windsor is renegotiating its conditional agreement to buy Needler Heath, another Lloyd's broker. Windsor now plans to buy only Needler's UK non-marine interests, and not its marine, aviation and North American business, according to Mr Carr.

Parts of the Needler business did not fit in as well with Windsor as his company had originally thought, Mr Carr said.

Taylor's diversified international business, on the other hand, had a natural compatibility with Windsor's operations, he said. It is also a leader in sports insurance, providing cover for clubs and individuals in the UK and other countries. Mr Taylor is a former director of Crystal Palace FC.

In the seven months to January 31, Taylor rebounded to pre-tax profits of £160,000 from a loss of £142,192 in the year to last June.

Castrol US expansion

Castrol, the lubricants subsidiary of Burmah Oil, announced yesterday the purchase for $19m (£11.5m) of Van Straaten, a US-based supplier of metal cutting fluids.

It was also revealed yesterday in Burmah's annual report that Mr John Maltby, its chairman, last year received a 50 per cent increase in salary to £180,000. Burmah's pre-tax profits fo rthe year rose by 33 per cent, from £79.6m to £105.9m.

The acquisition forms a part of Burmah's strategy of expanding its industrial lubricants business internationally, especially in the US. It follows the purchase of Henry E. Stanson, a Philadelphia based inrustrial lubricants company earlier this year.

Castrol said that Van Straaten, which last year achieved a turnover of $28m, was the US market leader in synthetic and semi-synthetic fluids. It has manufacturing plants in Chicago and Los Angeles, which the company said would improve Castrol's geographic coverage.

SHARE STAKES

Changes in company share stakes announced over the past week include.

Finlas Group — Chairman Michael Rhode purchased 15,000 shares at 100p and 35,000 at 101p. Managing director David Rippon purchased 20,000 shares at 101p.

W. A. Holdings—W. A. Airey, non-executive director, sold 200,000 ordinary and now holds 113,000 shares (0.4 per cent).

Wm Morrison Supermarkets Director R. L. Curry sold 18,165 shares and now holds 89,895 shares.

Forward Technology Industries—Director G. S. Allen sold 657,000 ordinary and now holds 5m shares.

Steel Brothers Holdings—Director P. G. Sechiari disposed of 42,000 ordinary and now holds 10,000 shares.

Persimmon — Director A. Fawcett sold 130,000 ordinary. tor P. B. Woodman purchased 30,000 shares.

BODYCOTE INTERNATIONAL—Beneficial holding of chairman Mr J. C. Dwek has been reduced by the disposal of 24,000 ordinary. Mr Dwek's holding, both beneficial and as trustee, totals 1,568,500 shares (13.8 per cent).

BOARD MEETINGS

TODAY

Interims: Capital Radio, Redfearn National, Royal Bank of Scotland, St Ives Group, Tiger Oats.

Finals: City of Oxford Investment Trust, Davies and Metcalfe, Forward Group, German Smaller Companies Investment Trust, Holmes Protection, Jitra Rubber Plantation, Malartic Hygrade Gold Mines, Marks and Spencer, Nurdin and Peacock Cash and Carry, R. Smallshaw (Knitwear), TDS Circuits, Windsmoor.

FUTURE DATES

Interims—

Audio Fidelity	May 8
BOC	May 18
Concentric	May 11
Fairline Boats	May 7
M & G Group	May 28
Tomkinsons	May 19

Finals—

Anglo American Coal Corp.	May 13
Coloroll	May 20
Ford (Martin)	May 11
GT Management	May 12
Larlin Electronics	May 8
Maclellan (P. and W.)	May 12
Polymark International	May 8
Regalian Properties	June 9
Squirrel Horn	May 11
Trimoco	May 19
UTC	May 11
Westbury	May 27

UK COMPANY NEWS

Jefferson Smurfit up to I£60m

Jefferson Smurfit, the Dublin-based paper and packaging group, exceeded its own expectations by increasing pre-tax profits from I£36.7m to I£60.1m (£54m) in the year to January 1987.

In February this year the company forecast profits slightly higher than £56m. Group turnover moved up from £914.68m to £1.01bn.

The directors said that three month contributions from Container Corporation of America and this company's former European operations plus the inclusion of Smurfit Newsprint (the former Publishers Paper) for a full year had helped bring about the record profits.

Last August, Jefferson Smurfit Corporation, the publicly quoted 78 per cent owned US subsidiary, acquired 50 per cent of CCA from Mobil Oil.

The deal for CCA, involved the establishment of a joint-venture with investment bank Morgan Stanley. The joint company purchased CCA for $1,035m, including debt taken over. This was financed by $630m of term debt plus $180m of ordinary bonds and $225m of junk bonds.

In addition Jefferson Smurfit Corporation and Morgan Stanley each injected $10m for the venture's common stock capital and the Irish company subscribed for all the $50m of cumulative exchangeable preference shares issued. This put the total cost of the CCA acquisition at $1,105m of which all but $70m was debt.

They recommended a final dividend of 2.49p (2.16p), making a total of 3.61p for the year—up from 3.28p last time.

Conditions for the company's operations in the US improved considerably in the second half, with a strong fourth quarter.

Strong domestic and international demand for containerboard produced high mill-operating rates and a firming price situation.

The CCA contribution, reflecting 50 per cent of the domestic earnings, was better than anticipated and was an encouraging omen for the current year.

Business in Ireland continued to be difficult, though the second half was considerably better than the first. In the UK there had been progress in turning round Smurfit's business, with new management operating in a positive economy.

Earnings per share rose by more than 50 per cent from 10.1p to 15.2p.

● comment

The combination of a weak dollar, the concentration of the US paper industry into fewer hands and a $100 per ton rise in linerboard prices is already making Jefferson Smurfit's CCA acquisition look something of a snip. Prospects are further enhanced by the $112m rundown of the venture's term debt already achieved and the possibility that CCA's overfunded $400m pension scheme might yield some goodies. The news from CCA, including the improved product mix and the boosting of management morale, has been so good that even the junk bonds have sailed on to respectability, with the yield falling into normal investment ranges. And if CCA was cheap, someone's eyes must have been off the ball entirely when they let the European operations (producing around I£10m a year) go for only $25m. With I£105m in view for this year all looks set fair for Jefferson—although at 443p the share price is well up with events and is likely to remain so given the keenness of Irish investors who have little else of this quality to back.

Hodgson buys Ingall Industries for £15.5m

BY GRAHAM DELLER

Hodgson Holdings, the rapidly-expanding funeral concern, is paying approximately £15.5m for Ingall Industries, the English undertaking operation of the House of Fraser.

Mr Howard Hodgson, chairman, yesterday confirmed the purchase. It will be financed by a £17m share placing with institutions—the balance is to be utilised to provide extra working capital.

A subsequent open offer will be made to existing shareholders on a five shares for every eight currently held basis at the placing price of 240p.

Mr Hodgson is not taking up his entitlement to the placing and will see his personal stake fall from a controlling level to about 30 per cent.

Fraser acquired Ingall two years ago for about £9.6m, acting as a "white knight" following an acrimonious battle with the Greater Midlands Co-operative Society. Ironically, Fraser is selling its Scottish funeral business to another society—the Co-operative Wholesale.

The CWS is believed to have paid just under £13m for its share of the Fraser business.

Hodgson's acquisition of Ingall, which conducts about 13,500 funerals a year through 52 locations, means that Hodgson now has 4 per cent of the market in England and Wales. Mr Hodgson said that much of Ingall's business was in geographical areas closely related to those of Hodgson, and that it would increase the number of funerals arranged by substantially more than 100 per cent.

Hodgson's rapid growth has seen 12 acquisitions of mainly small family businesses since its USM flotation last June—moves that increased turnover by 70 per cent, according to Mr Hodgson.

He foresaw further acquisitions in the funeral business, but stressed that the company had "no immediate plans" for a full Stock Exchange listing. Mr Hodgson also envisaged expansion in the financial field, offering post-bereavement services encompassing probate, insurance and letters of administration problems.

Dealings in Hodgson shares, suspended at 275p on April 1, are expected to resume on June 7 folowing the dispatch of the offer document to shareholders.

There are presently three funeral groups quoted on the USM: Kenyon Securities, which made its debut in 1983; and Hodgson and Great Southern which joined last year. All have a policy of growth through the acquisition of smal, family concerns which at present control 65 per cent of the funeral market.

The static nature of the undertaking market—the death rate is at present in decline and will remain so until the late 1990s—means thta the simplest method of improving profitability is through the rationalishation of resources such as hearses and embalfming facilities.

Profits up at Lonhro's S. African subsidiary

By Jim Jones in Johannesburg

Western Platinum, the Lonrho group's almost wholly-owned South African mining subsidiary, is gradually increasing production rates and revenues despite adverse exchange rate movements.

The mine processed 1.13m tonnes of ore and produced 4,214 kilogrammes of precious metals in the six months to March 31 1987 against 1.03m tonnes and 4,111 kg in the corresponding period of 1986.

The half year's sales revenue increased from £86.9m (£26m) to R104.7m (£31.33m) and the interim pre-tax profit rose from R38.3m to R66.4m. In its last financial year, Western processed 2.09m tonnes of ore and produced 8,2?? kg of noble metals. The year's sales revenue was R237.3m and the pre-tax profit R121.0m.

Earlier this year Falconbridge divested from South Africa and sold its 49 per cent interest in Western to Lonrho, which already owned 50.44 per cent of the mine's equity. At the time a Lonrho spokesman in Zimbabwe said the acquisition had been made to facilitate an eventual sale of Western by

Last year Western completed construction of a refinery to process base metals which had previously been refined by Falconbridge in Norway. In addition the mine is expanding the ore production rate by about 50 per cent.

FT Share Information

The following securities have been added to the Share Information Service:

Acorn Securities (Section: Mines Australian).

Huntingdon Intl Hldgs (Industrials).

Prism Leisure (Leisure).

Vantage Securities (Investment Trusts).

Founders cut their links with Brikat

BY SIMON HOLBERTON

THE FOUNDERS of the Brikat Group, the computer software company, have bowed out of the company following the sale of their 25 per cent holding to Advent Capital, a venture capital group.

... Mr and Mrs Colin Stanley sold their shares for 150p each to realise slightly more than £2m. Brikat opened yesterday morning at 142p, fell 2p on the announcement, but rose sharply to 165p shortly after. It closed at 157p.

Mr Chris Jones, Brikat's finance director, said the sale of the Stanley's shareholding had cleared up a number of uncertainties surrounding Brikat's future.

"Advent is a welcome purchaser and will provide a strengthening of the board," he said.

Mr Stanley stepped down as chief executive of the company last December following a poor year for the company which had become involved in computer dealerships. He, and his wife Kathryn, remained on the board in a non-executive capacity.

Mr John Nash, the managing director of Advent, and Mr Neil Pierce, an Advent director, will join the board of Brikat. According to Brikat, they will bring management expertise as well as extensive knowledge of the UK computer industry to the company.

Mr Nash said that the problems of diversification into dealerships have been largely resolved and the established core software and business-forms businesses have a strong future.

UK COMPANY NEWS

Peter Marsh considers the listing of Information Technology

Computing in a new style

The 21-year history of Information Technology, a leading UK computer company which is about to seek a public listing, is an accurate mirror of the far-reaching and sometimes turbulent changes which have affected the whole of the computer industry over that period.

Though small by international standards, the Hemel Hempstead-based company has thrived in an extemely tough business by focusing on two key areas where competition by the giants of the industry is relatively small—the provision of networks to link up groups of machines, mainly in offices, and fault-tolerant computing for applications such as banking and retailing.

Information Technology, which has gradually shifted focus to become more marketing oriented and less driven by technology alone, so reflecting the changes in the computer industry as a whole, aims to become listed on the main UK stock market within roughly the next two months, with 25 per cent of its shares to be placed with financial institutions.

The leading shareholder is Mr Tony Davies, the company's chairman and chief executive. He owns 32 per cent of the company, with a group of nine institutions and companies holding the bulk of the remaining shares. These shareholders include Citicorp, 3i, the UK banking group, Mr Robert Maxwell's Pergamon Press and Savorna, a French financial concern.

The company is expected to become capitalised at £20m to £30m, according to estimates. Informantion Technology has appointed N. M. Rothschild to advise it on the flotation and the stockbrokers are Phillips and Drew.

The 43-year-old Mr Davies, who is widely respected in the electronics industry, took control of Information Technology in 1980. He has altered the emphasis of the company, increasing the importance within the group of design skills, marketing and management.

The company was set up in 1966, under its former name, Computer Technology, as one of the world's first makers of minicomputers. The company was founded by Mr Ian Barron, who is regarded as perhaps Britain's most innovative electronics designer.

Mr Tony Davies, chairman and chief executive of Information Technology.

TRADING RECORD INFORMATION TECHNOLOGY

	Sales (£m)	Pre-tax profits (£m)
1979-1980	7.4	0.4
1980-1981	8.7	0.6
1981-1982	12.2	0.1
1982-1983	18.0	0.2
1983-1984	25.0	1.0
1984-985	26.3	1.3
1985-1986	29.1	1.5
1986-1987	32 *	2.5*

* Estimated.

Mr Barron, the inventor of the transputer, a radically new computer packed into a single piece of silicon, later moved on to become a founder of Inmos, the microchip company backed initially in the late 1970s by the Callaghan government and which is now owned by Thorn EMI.

Information Technology's sales for 1986-87 are expected to be about £32m, with a pre-tax profit of roughly £2.5m, and are tiny compared with those of the industry giants.

Mr Davies argues that the only way to survive is to attend to what he calls "product positioning"—a term heard more in the advertising industry than in the computer business.

"Up to the end of the 1970s there was still the feeling that you could bring a product to the market and people would buy it," says Mr Davies. "After that marketing became much more important."

The switch in style between thet 1960s and the 1980s was also reflected, more subtly, in the names the company has given its products. The company's first machine, back in 1966, was labelled Modular 1, a title dreamed up by the out-and-out technologists who then ran the company.

After taking soundings in the world of marketing, the company a few years ago re-christened its basic computer (which is linked generically to the Modular 1) as Momentum. Mr Davies says this name is a lot snappier, and moreover gives the computer a good "brand image."

An electronics graduate from London University, Mr Davies learned his skills in business mainly by experience. After working for three years as a researcher in Plessey's laboratories in Poole, Dorset, he showed early promise by setting up in 1970. Membrain, one of the world's first companies to specialise in the automatic testing of electronic components, an activity which has now grown into a major international business.

Mr Davies displayed still more acumen seven years later by selling the Poole-based Membrain for £2m to Schlumberger, the French-based oil services and electronics company. After two years working as an executive in another part of Schlumberger, Mr Davies bought control of Computer Technology (*as it then was*) in 1980, and changed the name. Since then, its profits have grown roughly fourfold.

Virtually all Information Technology's sales are in the UK and it has little interest, at least for the forseeable future, in expanding overseas. The company argues that, rather than reflecting a lack of ambition, *this strategy* makes perfect sense. It has only about 2 per cent of the total UK market for minicomputer-based systems, a business worth about £1.3bn a year, and *believes* there is plenty of room for growth within Britain.

Out of the total UK market for minicomputer systems, about £400m is acounted for by what are called transaction-based systems, in which both networking and non-stop operations are important. Examples of such systems include equipment whereby staff in shops or banks use terminals to call up information from central computers about the amount of credit they can grant customers.

Among Information Technology's customers in the financial services and retailing community for such systems are NMW (a computer bureau specialising in financial transactions), the British *Distributing* Company, Baring Brothers, Savory Milne and the Royal Orion Bank.

What of the future? Mr Davies argues that one of the main goals for the flotation is to give the company the financial resouces and the sense of corporate respectability to permit it to keep expanding. The company will take a hard look at acquiring other concerns in areas of computing related to its core businesses, for example in health care, financial services and distribution. "By 1991 or 1992, we want to be a £100m turnover company," says Mr Davies.

Wace surges to £0.6m and plans further acquisitions

Wace Group, enlarged via the acquisition of quality printer Bulls Frieson during 1986, made significant progress over the year raising its profit from £367,000 to £637,000 at the pre-tax level.

The 1985 figures were re-stated to take in the results of Bulls Frieson for the whole of that year.

For 1986 group turnover pushed ahead from £5.83m to £6.72m generating a gross profit of £2.3m against a previous £1.87m—Wace provides pre-press services to advertising agencies, printers and publishers.

After tax of £174,000 (£25,000) and a further deferred tax provision of £85,000 (£43,000) profit on *ordinary activities showed* an improvement of £79,000 at £378,000, equal to earnings of 4.4p (3.5p) per 20p share.

The directors said that Bulls Frieson was continuing to make significant contributions to both turnover and profits.

They expected Plus Graphics, acquired last February, to have a profound influence on the profitability, structure and status of the overall group and hoped that further acquisitions that would contribute to Wace's growth would be announced very shortly.

Shareholders were told that the enlarged group was well positioned for the future, particularly if the strong growth forecast for the advertising *industry materialised.*

Trading so far this year had been encouraging and the directors were confident that 1987 would be another year of accomplishment.

No ordinary dividends have been paid since 1980 but they expected to recommend an interim in respect of 1987.

Rivlin's link with CMD pushes down share price

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

SHARES IN Rivlin, the USM-quoted property company, drifted down yesterday as the market absorbed the news of its long foreshadowed marriage to CMD Property Group.

In a sluggish property sector, the price slipped 7p to 157p after a gain of 6p to 163p just before the weekend when the *merger was first disclosed.*

The effect of the merger is to create a property group with interests in more than £500m of development and with a market capitalisation of about £100m. At the same time, Mr Martin Landau, who established CMD in a management buyout of the property interests of Guinness Peat and has since pursued an active development programme, has managed to back in to a quoted vehicle.

Rivlin, a former furniture and textile company, was a property shell, until it issued paper to secure last autumn the equity of Marlborough Property and certain assets of CMD. Mr Laundau at that *stage* went on to the CMD board. The acquisition of Marlborough gave Rivlin an asset base it had not hitherto possessed.

The Rivlin-CMD merger consolidates an alliance. CMD had 29 per cent of Rivlin until the effect of the Marlborough acquisition diluted the stake to 6.27 per cent. Rivlin and CMD have an agreement giving each other the right to participate in each other's new ventures.

The merger is being carried out through the creation and issue of CMD of 28.6m new shares at the rate of 260 new Rivlin shares for each CMD share.

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COMMODITIES AND AGRICULTURE

ITC states challenge claim amendment

By Raymond Hughes, Law Courts Correspondent

MEMBER STATES of the International Tin Council complained yesterday that J. H. Rayner (Mincing Lane), a London Metal Exchange trader, had been allowed to extend the claim in which it seeks to make them liable for the £16m which it is owed by the insolvent ITC.

The states asked the Court of Appeal to rule that next week's High Court hearing, in which they will apply to have Rayner's action struck out, should proceed on the basis of Rayner's original claim.

Mr Gordon Pollock, QC, for a number of the foreign member states, said that the original claim asserted that the states were contractually liable for the £16m because the ITC had contracted with Rayner as the agent of its members.

Last week, said Mr Pollock, Mr Justice Ctaughton, who is to hear the striking-out application, had allowed Rayner to add a brand new claim: that the member states were liable also because they owed a duty to ITC creditors to ensure that the ITC's business was not conducted to the prejudice of creditors.

In breach of that duty, Rayner now argued, the member states had authorised the ITC's buffer stock manager to continue to trade, notwithstanding the absence of adequate finance.

Mr Justice Staughton had been wrong to allow that amendment at such a late stage in the face of opposition from all the member states, Mr Pollock said.

The hearing continues today.

Brazilian coffee

THE BRAZILIAN Coffee Institute (IBC) has agreed to delay a decision on opening June export registrations until after a meeting tomorrow between its president, Mr Jorio Dauster, and coffee trade representatives, reports Reuter from Rio de Janeiro.

The meeting, in Santos, will involve traders and exporters from throughout Brazil, and will consider the present state of domestic and international markets and their prospects.

Traders had expected June registrations to open yesterday or today with the export tax raised from 15 per cent to 20 or 25 per cent, reflecting recent devaluation of the Cruzado.

Thai tapioca

THAILAND MAY produce up to 22m tonnes of tapioca roots in the 1987-88 (September/August) season, up from a projected 17.5m this year, Norawat Suwan, deputy director general of the foreign trade department said in Bangkok.

He said an initial survey showed the tapioca hectarage might increase by as much as 25 per cent next year.

Industry officials said better tapioca prices during the past year have encouraged farmers to expand planting.

Pakistan cotton

PAKISTAN SET a cotton production target of 7.7m bales of 375 lbs each for the 1987-88 (September/April) crop, an official of the state Pakistan Central Cotton Committee said.

PCCC vice-president Heshamul Haq said sowing had begun in Lower Sind in Southern Pakistan and the weather so far had been favourable.

Output in 1986-87 was officially estimated at a record 7.6m bales.

Britain's Chernobyl sheep bill to rise further

BY MAX WILKINSON

PAYMENTS TO British hill farmers whose sheep were contaminated by the fall-out from the Chernobyl nuclear disaster a year ago are likely to rise by about 25 per cent as a result of the Government's latest review of compensation, it was disclosed yesterday.

The Ministry of Agriculture said the review announced at the weekend could add about *£1m to the £4.5m already paid* out.

The Agriculture Minister, Mr Michael Jopling announced at the weekend that he would consider sympathetically, farmers' claims for the costs of handling sheep and having them tested in areas where the movement and slaughter of the animals are still restricted.

He conceded that a further element of compensation was justified to take account of these costs, and that he would be making an announcement fairly soon.

It appears that Mr Jopling is anxious to push the necessary order through Parliament in the next week or two to ensure that it does not become entangled in the timetable for an early election.

The Department of Agriculture has been somewhat embarassed by the fact that radioactivity levels in sheep and lambs in hilly areas of Wales and Cumbria have remained much higher than was predicted at the time of the disaster.

It was then thought that Caesium-127, which was deposited on grasslands by rainfall after the accident at Chernobyl in the Ukraine, would seep into the soil and become fixed there. It was expected that the radioactive particles would not find their way into new growth of grass and other vegetation. Instead, it seems that sheep are continuing to eat grass which is contaminated with this radioactive substance, even though not many have been found to have concentrations above the safety limit of 1,000 becquerels per kilogramme.

Although this level of contamination is extremely low, and not likely to cause any health risk, the persistence of radioactivity levels above the ministry's so called "action level" has meant that 300,000 sheep in about 450 farms have remained under restriction.

This number is increasing as new lambs are born. Moreover, scientists are waiting anxiously to find whether lambs will have higher levels of radioactivity as a result of the concentration of Caesium-127 in their mothers' milk.

Australian wheat sowings down

BY CHRIS SHERWELL IN SYDNEY

AUSTRALIAN WHEAT production is likely to be down 16 per cent to about 14m tonnes because of a fall in the area sown, according to preliminary indications from the Government's Bureau of Agricultural Economics.

First estimates for the 1987-88 season show a drop in the area sown from 11.2m to 10.3m hectares, the fourth consecutive year of contraction in wheat plantings.

The Bureau says the movement away from wheat has been encouraged by continuing poor world prices and an anticipated decline in the 1987-88 guaranteed minimum price for wheat.

Australia regularly ranks around third or fourth in world wheat and flour exports, behind the US and Canada and on a par with the EEC.

In 1986-87 it produced its fourth largest crop on record of 16.7m tonnes, although this was well down on the most recent projection of 17.4m tonnes because of a disappointing finish to the season.

Yesterday's estimates for the coming season coincide with reports of dramatic reductions in areas sown to wheat in the US, Canada and the EEC.

They also follow last week's news that the Soviet Union is to buy 4m tonnes of US wheat in the largest subsidised US sale to a single country.

The Australian Government is upset by the deal, arguing that US subsidies are slashing returns to Australian farmers. Mr John Dawkins, Australia's Trade Minister, has claimed that rural export returns are being cut by more than A$2bn (£840m) because of US and European subsidies.

Other grain figures from the Bureau of Agricultural Economics showed Australian barley plantings were expected to recover little from the small area of last year. An area of 2.6m ha was forecast, promising an output of around 3.6m tonnes at average yields. The area sown to oats for grain, however, is forecast to increase by 30 per cent.

India on verge of self sufficiency in aluminium

BY P. C. MAHANTI IN CALCUTTA

INDIA, TRADITIONALLY a net importer of aluminium is now on verge of not only attaining self-sufficiency but also becoming a surplus producer when the National Aluminium Company, the country's newest and largest producer, commissions its smelter towards the end of this year.

National Aluminium's smelter is being built with French technical collaboration (by Pechiney) and is based on one of the world's largest bauxite reserves.

The 218,000 tonnes a year smelter will lift the country's capacity to 580,000 tonnes when in full production.

Existing capacity is spread over four producers including two large private companies, Hindustan Aluminium and Indian Aluminium Company (an Alcan subsidiary).

These have installed capacities of 120,000 tonnes and 117,000 tonnes, ranking second and third at present.

Jordanian phosphate mine opening brought forward

BY RAMI KHOURI IN AMMAN

JORDAN has responded to increased international demand for its raw phosphate rock production by bringing forward the start-up date of its planned new phosphate mine at Shidiya, in south-east Jordan.

Mr Wasef Azar, general manager of Jordan Phosphate Mines Company, said last week that the majority government-owned JPMC would start producing 800,000 tons per year at Shidiya in the second half of *next year rising to 1.5m tons* in 1989 and 3m tons a year thereafter.

The mine was originally scheduled to come on stream between 1991 and 1993. The World Bank had given preliminary approval to lend the company $25m to finance the accelerated production programme, said Mr Azar.

JPMC sold 6.2m tons of raw phosphat elast year, of which 5.2m were exported and 1m were processed into chemical fertiliser at the Jordan Fertiliser Industry Company, a wholly-owned subsidiary which it bought last year.

JPMC's net profits for 1986 were JD 3.91m ($11.7m), on phosphate sales of JD 72.4m and chemical fertiliser sales of JD 26.4m.

Jamaica to buy Alcoa refinery

By Canute James in Kingston

THE JAMAICAN Government is to purchase the Aluminium Company of America's 800,000-tonnes-a-year bauxite refinery, and will pay for it with raw bauxite and alumina, according to Mr Edward Seaga, the islands' Primte Minister and Finance Minister.

Alcoa closed the Jamaican plant in February 1985, claiming that there was a glut of alumina and that the company's system was oversupplied. The Jamaican Government subsequently leased the facility, and it was reopened six months later by Clarendon Alumina Production, a state-owned company, which gave Alcoa a management contract.

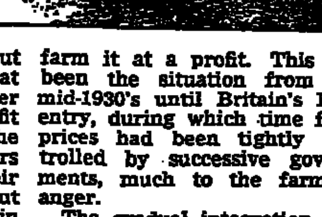
Mr Seaga said a year ago that Alcoa was eager to end the lease and return fully to the Jamaican bauxite industry, but that the Government had asked for a marginal majority stake in the plant as a condition.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Change during week ending last Friday)

	(tonnes)
Aluminium	−8,626 to 130,375
Copper	+4,650 to 144,850
Lead	−3,524 to 12,125
Nickel	+336 to 5,016
Tin	−540 to 29,275
Zinc	+175 to 30,950
	(ounces)
Silver	+68,000 to 21,958,000

Farm finance, an inexact science

FARMER'S VIEWPOINT
By John Cherrington



MR ROBIN Leigh-Pemberton, Governor of the Bank of England, raised the hackles of many farmers when, in a recent speech, he accused them of being "financially illiterate, untrained in business management, dangerously over-borrowed as an industry, and uncompetitive in the world's food markets." Were they not for the most part farming their own land they would, if exposed to a real economic environment, become either bankrupt or the targets of asset strippers, he suggested.

Farmers' immediate reaction has been to counterattack in kind. Anyone in any business can find plenty to complain about in recent monetary policy. Why should we British farmers have had to suffer some of the highest interest rates in the EEC in recent years? If we are over-borrowed what are the banks doing lending us too much? But this sort of argument gets nowhere and Mr Leigh-Pemberton does pose some legitimate questions, which require sensible answers.

He deplores the fact that, according to the banks, only 6 per cent of British farmers do proper budgets and cast flow calculations. The short answer to that is that budgeting the cost and yield of farm output is a most inexact science. Because of climatic factors output of most farm crops and animal products, even intensive pigs and poultry, can vary from 10 per cent to 25 per cent from year to year.

A farmer cannot, moreover, have a rigidly controlled cost structure. This year, for instance, I had to resow about 10 per cent of my wheat acreage with a much lower yielding pea crop. The profit will be marginal but it was the best I could do. Most farmers do make allowance in their planning for these mishaps, but it involves calculations within very wide margins.

The main criterion in making farm loans is often the rising value of the land. And this has perhaps, given farmers a false sense of security—in fact, it has made them careless.

Farms and land are being bought increasingly by investors who are more interested in the sporting and amenity factors. I heard the other day of an estate agent with wealthy clients who wanted to buy farms for these reasons. They were not seeking profits, but hoped that the farms would be self-supporting. Such people can outbid farmers with ease and have been a significant influence in raising rural land prices to about twice their farming values.

The inflation in land values is of fairly recent origin. Until about 20 years ago it was possible to buy land, finance the purchase on the long term at fixed interest rates of between 5 per cent and 7 per cent, and farm it at a profit. This had been the situation from the mid-1930's until Britain's EEC entry, during which time farm prices had been tightly controlled by successive governments, much to the farmers' anger.

The gradual integration into the EEC's common agricultural policy, with its open-ended subsidies, is what changed some farmers' attitudes. The greatly increased prices coming after years of careful, even stingy, farm financing made them rather less prudent in their spending and the fact that banks and other lending organisations were ready to throw money their way may have blunted their judgment.

When I started farming as a tenant, getting money out of a bank manager was a tough assignment—which was a very good thing. Farmers used their hard-won bank loans sparingly.

Unlike Mr Leigh-Pemberton, I do not think there is too much emphasis on good husbandry in the industry. Every farmer should know what to do to grow the best crops and most of us do. The clever ones also know which operations can be left out and still leave a satisfactory result.

He is right to warn of the competition from world and even other EEC producers. But I do not think many people appreciate the nature of that competition. In livestock products much of it comes from large-scale family farmers aided by first-class ownward processing and marketing which we in Britain do not seem to be able to match as yet.

Some of the competition is distorted by the currency chaos resulting from the complex "green money" system. But even if the green pound is devalued to the full extent of the National Farmers' Union's demand and we were on an equal basis with out European competitors, I still think that in terms of practical — and I emphasise the word "practical" —production and marketing we lack the resilience and skill of the small family farmer in Europe.

I am not talking here about peasant farmers, but about the average non-labour employing unit in France, Denmark, Holland and so on. These are the people we will eventually have to beat to survive and the skills needed for that are not to be learnt in conventional business schools.

Where I do agree with Mr Leigh-Pemberton is when he questions how long the CAP can endure. I do not think that it can last much longer, and will probably be replaced by much more nationally directed systems—then I do believe we British farmers would have to look out.

LONDON MARKETS

NEWS THAT Cominco faces a strike at its Kimberley/Trail complex from next Saturday because of a lack of progress in its labour negotiations helped to spur lead and zinc prices on the London Metal Exchange yesterday. The cash price for lead added £23 a tonne to £409, boosted by news of a 2 cents a lb price rise by two US producers to 33 cents a lb, and of a further fall in LME warehouse stocks, of 3,525 tonnes to 12,125 tonnes, a seven-year low. The price for three-month delivery metal increased by only £9.75, however, leaving the premium for cash metal at £60.75, sharply up on Friday's £47.50 a tonne. In contrast the price for zinc for three-month delivery put on £8 to £478.50 a tonne, while the cash price added only £6.75 to £483 a tonne, narrowing the cash premium to £4.50 from Friday's £5.75 a tonne. Traders found the market for aluminium, like zinc, rather quiet, with little selling interest. However, news of heavy withdrawals from LME warehouses in Rotterdam last week pushed prices a little higher.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	826-8	+9	824
3 months	814-6	+12.25	814/802

Official closing (am): Cash 823-4 (814-5), three months 804-5 (801-2), settlement 824 (815). Final Kerb close: 806-8. Turnover: 19,825 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or −	High/Low
Cash	885-7	+3.5	882/881.5
3 months	857.5-8	+4	858/852

Official closing (am): Cash 881-1.5 (882.5-3.5), three months 852.5-3 (853.5-4), settlement 881.5 (883.5). Final Kerb close: 856.5-7.

Standard			
Cash	845-7	−1.5	846
3 months	840-5	+4.5	—

Official closing (am): Cash 846-8 (850-0.5), three months 838-40 (836-42), settlement 848 (850.5). US Producer prices: 66.50-71 cents a pound. Total Turnover: 46,550 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	408-10	+23	412/410
3 months	348-8.5	+9.75	351/340

Official closing (am): Cash 411-2 (380-1), three months 347-8 (336-6.5), settlment 412 (381). Final Kerb close: 350-1. Turnover: 15,075 tonnes. US Spot: 24-31 cents a pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	2480-90	+5	2481
3 months	2480-5	+5	2493/2480

Official closing (am): Cash 2,481-2 (2,460-70), three months 2,482-4 (2,470-5), settlement 2,482 (2,470). Final Kerb close: 2,491-3. Turnover: 1,848 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	482-4	+6.75	480
3 months	478-9	+8	480/473

Official closing (am): Cash 478-9 (473.5-4), three months 474-4.5 (470-1), settlement 479 (474). Final Kerb close: 478-8. Turnover: 10,925 tonnes. US Prime Western: 41-44 cents a pound.

TIN

KUALA LUMPUR TIN MARKET—Close: 16.66 (16.67) ringgit per kg. Down 0.02.

GOLD

GOLD BULLION (fine ounce)	May 5	
Close	$457¼-457¾	(£271¼-271¾)
Opening	$464½-465	(£276-276½)
M'n'g fix	$464.50	(£275.619)
Aft'n'n fix	$459.25	(£272.310)

GOLD AND PLATINUM COINS

Am Eagle	$469½-475	(£278-281¼)
Mapleleaf	$470½-475½	(£278¾-280½)
Kr'g'r'nd	$461-464	(£273-274¾)
½ Krug	$240½-241½	(£142½-143)
¼ Krug	$120½-121½	(£71¼-72)
Angel	$467½-470½	(£276¾-278¾)
1/10 Angel	$46-51	(£27¼-30¼)
New Sov	$109½-110½	(£64¾-65½)
Old Sov	$109½-111	(£64¾-65¾)
$ 20 Eagle	$510-560	(£302-331¾)
Noble Plat	$651-663	(£385½-392¾)

SILVER

Silver was fixed 54.45p an ounce higher for spot delivery in the London bullion market yesterday at 530.45p. US cent equivalents of the fixing levels were: Spot 895c, up 101.5c; three-month 910.65c, up 103.45c; six-month 926.45c, up 105.6c; and 12-month 957.2c, up 109.25c. The metal opened at 529-535p (890-900c) and closed at 492½-502½p (838-846c.)

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	530.45p	+54.4	497.5p	+12.5
3 months	541.80p	+55.2	509.5p	+14.5
6 months	552.30p	+55.2	—	
12 months	571.30p	+56.9	—	

LME—Turnover: 1 (nil) lots of 10,000 ounces.

Three months high/low 540p, final kerb 500-10p.

TEA

33,597 packages were on offer at the London tea auction, including 3,600 packages in the offshore section, reports the Teabrokers' Association. Demand continued to improve. Selected colory Assams moved several pence dearer while others were irregular but little changed on balance. Bangladesh teas were quite well supported and sometimes advanced. Brighter East Africans ruled firm to dearer but mediums were irregular and dusts week. Central Africans met better competition than of late and often gained ground but dusts were neglected. There was more enquiry for Ceylons and useful liquoring types again met restricted demand with prices about steady where sold. Quotations: quality 140p a kg (unquoted); medium 103p a kg (103p); low medium 84p a kg (82p).

INDICES

REUTERS

Apr. 30	Apr. 29	M'th ago	Year ago
1583.1	1578.7	1542.9	1786.4

(Base: September 18 1931=100)

DOW JONES

Dow Jones	May 4	May 1	M'th ago	Year ago
Spot	124.81	124.89	—	128.07
Fut	127.81	126.59	—	124.65

(Base: December 31 1931=100)

MAIN PRICE CHANGES

	May 5 1987	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1385/405	+25	$1425/45
Copper			
Cash Grade A	£886	+3.5	£909.75
3 months	£857.75	+4	£879.75
Gold Troy oz	$457.5	+3.25	$419.5
Lead Cash	£409	+23	£309.5
3 months	£349.25	+9.75	£301.5
Nickel			
Free Mkt.	184/208c.	+1	172/182c.
Palladium oz	$150.00	+5.55	$129.90
Platinum oz	$619.50	+11.5	$566.35
Quicksilver†	$245/255	....	$225/229
Silver troy oz	530.45p	+54.45	416.35p
3 months	541.80p	+55.25	426.60p
Tin			
free Mkt.	£4190/150	−40	£4280/280
Tungsten	$50.94	....	$48.37
Wolfram 22.0lb	$50/55	....	$49/54
Zinc	£483.00	+6.75	£457.5
3 months	£478.5	+8	£456.5
producers	$790/830	....	$790
OILS			
Coconut (Phil)	$405u	....	$415
Palm Malayan	$340v	+17.5	$332.5
Seeds			
Copra (Phil)	$270u	+20	$275
Soyabean (U.S.)	$145y	....	$157
GRAINS			
Barley Fut. Sept	£99.35	−0.20	£99.85
Maize	£145.00	....	£143.25
Wheat Fut. July	£123.90	−0.20	£125.50
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. July	£1285.5	−6	£1318.5
Coffee Ft. July	£1346.5	+19	£1259
Cotton A Ind.*	71.05c	+0.25	62.65c
Gas Oil June	$151	+2.75	$147.75
Rubber (kilo)	61.5p	−0.5	60p
Sugar (raw)	$177.5u	−5	$171
Wooltops 64s	478p kilo	....	485p kilo

‡ Unquoted. † Per 76-lb flask. c Cents a pound. * Cotton outlook. w June-Aug. v July. u May-June.

COFFEE

The market traded quietly after the holiday in light volume, reports Drexel Burnham Lambert. Prices fluctuated within a £20 range with mixed activity. Offers from origin above the market kept buyers at bay but price-fixing prevented any major fall.

COFFEE	Yesterday close	+ or −	Business Done
May	1312-1316	+11.5	1322-1302
July	1345-1348	+19.0	1350-1330
Sept	1360-1362	+4.5	1372-1355
Nov	1385-1388	+15.0	1395-1375
Jan	1400-1405	+14.0	1420-1400
Mar	1420-1450	+10.0	1445-1420
May	1430-1459	—	

Sales: 4,044 (4,443) lots of 5 tonnes.

ICCO indicator prices (US cents per pound) for May 4: Comp. daily 1979 111.88 (110.96); 15-day average 108.03 (107.32).

COCOA

Opening a little steadier as due, futures eased later as sterling strengthened. The lower levels at present trading failed to attract either producers or consumers, but some active second-hand business was seen, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or −	Business done
May	1252-1255	−2.0	1258-1249
July	1286-1287	−6.0	1295-1282
Sept	1301-1302	−7.5	1310-1300
Dec	1325-1327	−7.5	1335-1325
March	1347-1350	−10.0	1358-1348
May	1365-1370	−10.5	1378-1368
July	1385-1390	−10.0	1408-1395

Sales: 2,912 (1,237) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for May 5: 1,606.41 (1,607.47); 10-day average for May 6: 1,613.65 (1,616.19).

FREIGHT FUTURES

The market made gains of up to 40 points early in the morning before edging back a shade. The afternoon saw further declines as selling continued. The initial strength was attributed to prospects of discount sales of US grain to China following sales to the Soviet Union of 4m tonnes last week, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
July	941	975/941	938
Oct.	985/990	1020/985	980
Jan.	990	1025/990	980
Apr.	960/1010	—	970/985
July	750/800	—	840
Oct.	850/900	—	850
Jan.	920	—	920
April	970	—	970
BFI.	1027	—	1025

Turnover: 790 (609).

POTATOES

May again came under keen selling interest on the opening, quickly falling through £150.00 to trigger stop-loss activity which brought further downward pressure to bear on the spot month. Losses of £11.00 were registered by midday but profit-taking in the afternoon limited movement and a flurry of buying on the close pared the losses. New crops were easier following good weekend weather and in anticipation of good planting figures, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
May	144.50	152.50	151.00-146.00
Nov	87.60	88.30	87.00
Feb	96.80	98.00	—
Apr	119.10	122.00	120.58-118.56
May	132.50	135.90	—

Sales: 692 (567) lots of 40 tonnes.

GRAINS

All markets opened unchanged and stayed in a narrow trading range throughout the day, suffering from a *lack of interest in delivered and fob* markets. Modest speculative selling prevented both old and new crops from rising, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close	+ or −	BARLEY Yest'rdy's close	+ or −
May	121.90	—	110.00	+0.15
July	123.90	−0.30	—	—
Sep.	101.50	−0.10	99.35	−0.20
Nov.	103.75	−0.05	101.90	−0.20
Jan.	106.50	−0.05	104.50	−0.20
Mar.	109.00	−0.05	106.60	−0.20
May	111.75	−0.05	108.20	−0.45

Business done—Wheat: May 121.85-1.80, July 123.85, Sept 101.50, Nov 103.80, Jan, March and May untraded. Sales: 53 lots of 100 tonnes. Barley: May untraded, Sept 99.35, Nov untraded, Jan 104.50, March 106.60, May untraded. Sales: 25 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Hard Winter, 13½ per cent: May 93.00, June 92.50, July 91.00. US No 2 Soft Red Winter: June 90.00, July 87.25. French 11½-12 per cent: April 143.60. English feed, fob: Oct/Dec 106.50-107.50, Jan/March 111.00-112.00 buyer/sellers. Maize: US No 3 Yellow/French, transhipment East Coast: March 145.00. Barley: English feed, fob: April 113.00-114.50 buyer/sellers, May 115.00, Aug 101.00, Sept 103.00, Oct/Dec 106.00 sellers.

US MARKETS

PRECIOUS METALS opened steady, as expected, on mixed buying but as the US dollar strengthened traders took profits and the gold, silver and platinum futures all closed lower on the day, reports Drexel Burnham Lambert. Copper, on the other hand, steadied as short-covering in the May position tended to pull the whole market higher. Crude oil futures steadied on a combination of local, early trade and commissioned house buying which touched off stops before the trade emerged as a good scale-up seller. Coffee futures tended to consolidate, firming on balance on mixed buying. Cocoa futures eased against the firmer US currency. Sugar sold off on late commission house selling. Cotton futures underwent a technical reaction as commissioned houses sold. The grains also reacted to recent steadiness as mixed selling emerged to depress the wheat, maize and soyabean futures. The meat futures continued their steady tone, reflecting cash prices.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	Prev	High	Low
May	67.50	66.50	67.50	67.00
June	66.30	65.30	—	—
July	65.50	64.50	65.60	65.00
Sept	63.00	62.00	63.00	63.00
Dec	62.50	62.00	62.50	62.05
Jan	62.50	62.00	—	—
March	62.50	62.00	—	—
May	62.50	62.00	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
May	1967	1974	1965	1965
July	2005	2012	2010	1997
Sept	2031	2035	2037	2023
Dec	2063	2065	2067	2055
March	2093	2093	2100	2090
May	2118	2118	2123	2120
July	2145	2138	2150	2150

COFFEE "C" 37,500 lb, cents/lb

	Close	Prev	High	Low
May	120.00	120.75	121.20	120.00
July	120.60	121.69	122.50	120.50
Sept	120.98	121.98	122.60	120.90
Dec	121.84	122.96	123.50	121.75
March	123.13	122.75	124.25	123.90
May	124.40	122.63	124.40	124.40
July	122.88	122.75	—	—
Sept	125.00	123.25	125.00	125.00

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
May	64.90	64.15	65.00	64.15
June	64.55	63.90	—	—
July	64.20	63.60	64.25	63.45
Sept	64.00	63.40	64.00	63.45
Dec	64.25	63.75	64.30	63.80
Jan	64.40	63.90	—	—
March	64.65	64.15	65.00	64.20
May	65.05	64.55	64.95	64.95
July	65.45	65.00	—	—
Sept	65.85	65.40	—	—

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
May	64.50	64.40	64.50	63.99
July	64.15	64.32	64.45	63.80
Oct	64.20	64.45	64.25	63.85
Dec	63.92	64.29	64.20	63.65
March	64.60	64.95	64.90	64.65
May	65.20	65.33	65.35	65.20
July	65.25	65.80	—	—

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	Prev	High	Low
June	19.07	18.92	19.20	19.00
July	18.72	18.64	18.90	18.70
August	18.45	18.35	18.63	18.45
Sept	18.30	18.17	18.44	18.27
Oct	18.25	18.05	18.29	18.16
Nov	18.24	17.98	18.25	18.10
Dec	18.17	17.92	18.20	18.02
Jan	18.10	17.87	18.10	18.00
Feb	18.13	17.85	18.13	18.00

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
May	458.4	462.8	465.5	465.0
June	460.8	465.2	467.0	456.0
July	463.6	468.0	—	—
Aug	468.5	470.9	473.5	462.0
Oct	472.2	476.5	479.0	470.0
Dec	477.8	482.1	484.5	472.0
Feb	483.7	488.0	492.5	481.0
April	489.5	493.8	495.5	487.0
June	495.7	500.0	502.5	493.0
Oct	509.5	513.8	515.8	515.8
Dec	516.5	520.8	523.5	513.0
Feb	523.6	527.9	—	—

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
June	49.95	48.49	50.50	48.90
July	49.90	49.35	50.40	49.80
August	50.55	49.80	51.00	50.35
Sept	51.20	50.45	51.70	51.15
Oct	52.00	51.10	52.30	51.90
Nov	52.60	51.75	52.60	52.60
Dec	53.10	52.40	53.50	53.10

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
May	134.10	134.00	134.28	133.95
July	131.85	130.98	131.80	130.65
Sept	129.10	128.90	129.80	129.00
Nov	128.25	128.10	128.40	128.05
Jan	128.25	125.65	128.00	125.75
March	128.25	125.65	—	—
May	128.25	125.65	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
June	620.2	633.6	—	—
July	623.2	636.5	639.0	616.0
Oct	629.7	642.8	645.0	625.0
Jan	636.5	649.3	652.0	632.0
April	643.5	654.2	651.0	642.0
July	650.5	663.8	658.0	650.0

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
May	930.3	968.5	899.0	800.0
June	836.0	871.0	865.0	839.0
July	840.0	878.0	907.0	800.0
Sept	850.9	888.3	918.0	834.3
Dec	868.8	901.5	936.0	851.5
Jan	872.0	908.3	942.0	858.3
March	883.0	916.9	985.0	866.9
May	895.5	928.7	985.0	895.0
July	908.0	941.0	985.0	900.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
July	6.80	6.93	6.97	6.75
Sept	6.90	6.95	7.25	6.81
Oct	7.10	7.24	7.28	7.10
Jan	7.29	7.42	—	—
March	7.51	7.63	7.63	7.48
May	7.63	7.76	7.76	7.75
July	7.72	7.88	7.88	7.72
Oct	7.88	8.04	—	—

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	Prev	High	Low
June	68.72	68.07	69.00	68.40
Aug	63.60	63.25	63.90	63.35
Oct	62.70	62.77	63.25	62.65
Dec	63.27	63.47	63.85	63.25
Feb	63.27	63.45	63.75	63.25
June	64.90	64.85	65.00	64.70

LIVE HOGS 30,000 lbs, cents/lb

	Close	Prev	High	Low
June	54.22	54.27	54.67	53.96
July	51.86	51.70	52.22	51.60
Aug	48.62	48.90	49.25	48.55
Oct	42.75	43.02	43.30	42.70
Dec	42.17	42.20	42.56	42.10
Feb	41.60	41.85	41.95	41.60
June	41.40	41.27	41.50	41.05
July	41.05	41.05	41.38	41.05

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	Prev	High	Low
May	181.6	181.4	182.4	180.2
July	187.2	188.2	189.0	186.2
Sept	187.4	188.6	189.6	187.2
Dec	189.0	189.4	191.0	188.0
March	196.0	196.2	197.8	194.4
May	197.6	198.0	200.4	197.4
July	199.2	199.0	201.4	199.0

PORK BELLIES 38,000 lb, cents/lb

	Close	Prev	High	Low
May	77.97	77.07	78.05	76.90
July	74.05	73.85	74.80	73.35
August	69.37	69.22	70.00	68.72
Feb	58.55	58.17	59.20	58.10
March	57.90	57.42	58.40	57.90
May	59.10	59.80	59.00	59.00

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	Prev	High	Low
May	536.4	542.4	542.0	536.0
July	538.6	546.4	545.4	539.0
Aug	539.4	547.4	546.4	539.4
Sept	534.0	542.0	542.0	534.0
Nov	536.2	546.0	545.6	535.0
Jan	543.6	553.0	553.0	543.0
March	552.0	562.0	561.0	551.4
May	557.0	567.0	564.6	557.0
July	557.0	567.0	567.0	557.0

SOYABEAN MEAL 100 tons, $/on

	Close	Prev	High	Low
May	159.6	162.2	162.5	159.2
July	157.9	160.3	160.9	157.6
Aug	158.0	160.5	160.5	157.3
Sept	157.5	159.5	160.5	157.0
Oct	157.8	160.2	161.5	157.5
Dec	158.9	161.0	162.0	158.3
Jan	160.0	162.2	161.8	160.0
March	162.5	165.0	165.0	161.0
May	162.5	165.0	166.0	162.5
July	162.5	165.1	166.0	162.5

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	Prev	High	Low
May	16.26	16.58	16.60	16.26
July	16.57	16.89	16.77	16.57
Aug	16.77	17.02	16.94	16.75
Sept	16.95	17.18	17.13	16.92
Oct	17.12	17.32	17.32	17.10
Dec	17.42	17.64	17.63	17.40
Jan	17.55	17.70	17.70	17.55
March	17.85	18.15	18.00	17.85

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	Prev	High	Low
May	285.0	282.0	295.0	280.0
July	282.6	285.0	284.4	280.6
Sept	284.0	286.4	286.0	281.6
Dec	289.0	292.0	291.4	288.0
March	288.0	292.0	290.6	287.6
May	278.4	282.6	282.4	278.2

SPOT PRICES: Chicago loose lard 14.00 (same) cents a pound. Handy and Harman silver bullion 844.0 (865.0) cents per troy ounce. New York tin 320-22 (320-21) cents a pound.

H G C A—Locational ex-farm spot prices. Feed barley: S. East 111.60, S. West 110.20, W. Midlands 108.60, N. West 111.00. The UK monetary coefficient for the week beginning Monday May 4 (based on HGCA calculations, using four days' exchange rates) is expected to change to 1.227.

RUBBER

PHYSICALS — The London market opened about unchanged, attracted little interest throughout the day and closed quiet and slightly easier, reports Lewis and Peat. Closing prices (buyers): Spot 61.50p (62.00p); June 61.25p (61.75p); July 60.75p (61.25p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg: RSS No 1 232.5 (233.0); SMR 20 201.5 (same).

FUTURES—Index 580, May 579-582, June 579-582, July/Sept 579-582. Sales: Nil.

SOYABEAN MEAL

	Yesterd'ys close £ per tonne	+ or −	Business done
June	118.8-120.8	+0.75	—
August	115.5-118.8	−1.00	116.0
October	115.8-116.8	−0.85	116.0
Dec	118.8-119.0	−0.25	118.0
Feb	121.8-121.8	−0.65	121.5
April	122.8-125.5	−1.50	—
June	122.5-125.0	—	—

Sales: 135 (300) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $177.50 (£106.50), down $5.00 (down £4.00) a tonne for May-June delivery. White sugar $191.50, down $2.00.

No. 6 Contract	Y'sterd'ys close $ per tonne	Previous close	Business done
May	154.8-164.6	162.8-163.0	157.8-158.8
Aug	160.2-160.6	158.0-158.2	183.0-189.2
Oct	183.0-184.6	190.0-161.6	168.0
Dec	168.4-168.0	166.8-168.2	170.8-168.8
Mar	171.4-172.4	—	—
May	175.0-176.6	172.8-175.6	177.0-175.0
Aug	176.0-177.6	173.2-175.2	180.0-177.0

Sales: 2,640 (3,225) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £209.50 (£214.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for May 4: Daily price 6.73 (6.59); 15-day average 6.68 (6.69).

PARIS—(FFr per tonne): Aug 1123-1125, Oct 1160-1162, Dec 1180-1195, March 1210-1213, May 1245-1260, Aug 1280-13.00.

OIL

Prices for all North Sea crudes firmed 40-50c since Friday. Ninian traded at $18.50 and Forties at above $18.60. June WTI opened 13c up on Nymex and traded 18c up at 1.30 pm EDT. In the petroleum products market gas oil firmed on renewed buying interest. Naphtha firmed in sympathy with Nymex futures market. Fuel oil was weak with little utility buying interest —Petroleum Argus, London.

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—May		
Arab Light	—	—
Arab Heavy	—	—
Dubai	16.90-17.00*	+0.05
Brent Blend	19.10-19.20	+0.65
W.T.I. (1pm est)	19.10-19.15*	+0.30
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	196-199	−0.5
Gas Oil	151-153	+4
Heavy fuel Oil	106-109	−1
Naphtha	164-166	−1.5

* June

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yestrdy's close US$ per tonne	+ or −	Business Done
May	152.00	+3.50	153.25-50.25
June	151.00	+2.75	152.25-49.75
July	150.50	+2.00	152.00-50.25
Aug	152.75	+2.50	153.00-51.50
Sept	154.00	+2.25	154.00

Turnover: 5,948 (1,386) lots of 100 tonnes.

JUTE

JUTE—May/June c and f Dundee: BTC $455, BWC $450, BTD $365, BWD $360; c and f Antwerp: BTC $415, BWC $410, BWD $350, BTD $355.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.24p per kg lw (−0.03). GB—Sheep 242.48p per kg est dcw (−1.54). GB—Pigs 73.40p per kg lw (−1.32).

FUTURES—Live cattle: June 96.30. Sales: 3.

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CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling firm, dollar weak

STERLING CONTINUED to improve in currency markets yesterday, giving rise to renewed hopes of an early cut in UK clearing bank base rates. The pound's rise reflected further confidence among investors against a background of encouraging economic data and additional data pointing towards a Conservative win in a general election, probably next month.

UK currency reserves rose an unexpected £2.9bn in April, the second largest rise ever and reflected the extent of central bank intervention to prevent the pound from appreciating too far and so erode the competitive edge achieved through last year's sterling fall.

The pound rose to DM2.9875 from DM2.9750 on Friday and $1.6885 compared with $1.6690. It was slightly lower against the yen at Y234.25 from Y234.50 but rose to SFr2.4550 from SFr2.4375 and FFr9.9925 against FFr9.9325. On Bank of England figures, the pound's exchange rate index rose to 73.5 from an opening level of 73.4 and last Friday's close of 73.3.

The dollar finished weaker from levels prevailing over the weekend. Bearish factors for the dollar included disappointment over the latest meeting between President Reagan and Mr Yasuhiro Nakasone, Japanese Prime Minister, and the lack of any solution to the trade dispute between the two countries. Many traders had been looking for a widening of interest differentials at least as a stop gap measure to combat the effects of the US budget and trade deficits.

Such a move was not forthcoming and with markets extremely nervous ahead of the first part of the latest US Treasury refunding package, due to take place after the close of business in London, when $10bn of 3-year notes were on offer, the dollar was sold off in rather thin trading conditions. It broke through the important DM 1.7650 level which was the dollar low mark this year. This came as something of a surprise since resistance had been expected at this point. However, the US unit managed to finished above the day's low of DM 1.7615 at DM 1.7690, still down from DM 1.7795 on Friday. Against the yen it slipped to Y138.70 from Y140.35 and SFr 1.4535 from SFr 1.46. Elsewhere, it slipped to FFr 5.9175 from FFr 5.95. On Bank of England figures, the dollar's exchange rate index fell from 100.2 to 99.7.

D-MARK — Trading range against the dollar in 1987 is 1.9395 to 1.7870. April average 1.8112. Exchange rate index 147.4 against 141.1 six months ago.

The Bundesbank intervened at the fixing and in open trading in Frankfurt, attempting to arrest the dollar's decline. The amount of help was relatively modest however with just $19m bought at the fixing. The dollar was quoted at DM1.7640 compared with DM1.7786 on Monday, making it the lowest fixing level since July 1980. Its fall through the DM1.7650 level was seen as significant since this represented its lowest level so far this year and was seen as a resistance point.

The Bundesbank's activity in open trading and at the fixing managed to bring the rate back up above this level but the size of the intervention was only modest.

The dollar closed at DM1.7670 from DM1.7770 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu May 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.1132	+1.54	+0.90	±1.5344
Danish Krone	7.85212	7.81525	−0.47	−1.11	±1.6404
German D-Mark	2.05853	2.07666	+0.88	+0.24	±1.0981
French Franc	6.90403	6.94846	+0.64	0.00	±1.3674
Dutch Guilder	2.31943	2.34199	+1.97	+0.33	±1.5012
Irish Punt	0.768411	0.777079	+1.13	+0.49	±1.6684
Italian Lira	1483.58	1487.78	+0.28	+0.28	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

May 5	Latest	Previous Close
£ Spot	1.6845-1.6855	1.6825-1.6835
1 month	0.30-0.29 pm	0.36-0.35 pm
3 months	0.67-0.64 pm	0.76-0.74 pm
12 months	1.19-1.09 pm	1.52-1.42 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	May 5	Previous
8.30 am	73.4	73.2
9.00 am	73.4	73.3
10.00 am	73.4	73.3
11.00 am	73.5	73.3
Noon	73.5	73.3
1.00 pm	73.5	73.3
2.00 pm	73.5	73.4
3.00 pm	73.5	73.4
4.00 pm	73.5	73.3

POUND SPOT—FORWARD AGAINST THE POUND

May 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6800-1.6890	1.6880-1.6890	0.30-0.27c pm	2.03	0.65-0.60 pm	1.48
Canada	2.2625-2.2724	2.2650-2.2660	0.22-0.12c pm	0.90	0.14pm-0.02dis	0.11
Netherlands	3.35¼-3.37¼	3.36¼-3.37¼	1¼-1c pm	4.01	3¼-2⅞ pm	3.64
Belgium	61.71-62.10	62.00-62.10	20-5c pm	2.42	35-20 pm	1.77
Denmark	11.18½-11.24¼	11.23¼-11.24¼	Par-¼ ore dis	−0.13	4¼-5⅛ dis	−1.67
Ireland	1.1120-1.1160	1.1135-1.1145	0.10-0.20p dis	−1.62	0.16-0.43 dis	−1.06
W. Germany	2.97¼-2.99¼	2.98¾-2.99¼	1½-1¼pf pm	5.52	3⅞-3⅝ pm	5.02
Portugal	230.75-232.35	231.00-232.00	70-155c dis	−5.83	300-450 dis	−6.48
Spain	208.75-209.15	208.75-209.05	125-295c dis	−8.97	380-595 dis	−6.94
Italy	2129¼-2140	2139-2140	Par-2 lire dis	−0.56	1-7 dis	−0.75
Norway	11.11¼-11.16	11.15-11.16	½-⅝ ore dis	−0.61	15¼-16⅝ dis	−5.80
France	9.94-9.99¼	9.98¾-9.99¼	1⅛-½ c pm	0.98	1⅛-5 pm	0.48
Sweden	10.42¼-10.46½	10.45½-10.46½	Par-⅛ ore dis	−0.07	1⅛-2 dis	−0.65
Japan	232¼-234⅝	233¾-234¼	1¼-1 y pm	5.76	3¼-2⅞ pm	5.23
Austria	20.88-20.96	20.94-20.96	9⅝-8⅞ gro pm	5.16	24-21⅝ pm	4.36
Switzerland	2.43¼-2.46	2.45-2.46	1⅜-1¼ c pm	6.11	3¼-3 pm	5.09

Belgian rate is for convertible francs. Financial franc 62.50-62.60. Six-month forward dollar 0.97-0.92 c pm. 12-month 1.05-0.95 c pm.

CURRENCY RATES

May 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.780087	0.697574
U.S. Dollar	5.5	1.31585	1.17611
Canadian $	7.90	*	1.58246
Austrian Sch.	4	16.3323	14.6014
Belgian Franc	8	48.1996	43.1132
Danish Krone	7	8.74514	7.81525
Deutsche Mark	3.0	2.32116	2.07666
Neth. Guilder	4½	2.61854	2.34199
French Franc	9½	7.76878	6.94846
Italian Lira	11.5	1663.30	1487.78
Japanese Yen	2½	N/A	162.715
Norway Krone	8	8.71093	7.77291
Spanish Peseta	—	162.902	145.602
Swedish Krona	7½	8.15432	7.28482
Swiss Franc	3.5	1.90272	1.70242
Greek Drach.	20½	173.245	154.670
Irish Punt	—	N/A	0.777079

*C$/SDR rate for May 5: 1.76296.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

May 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6800-1.6890	1.6880-1.6890	0.30-0.27c pm	2.03	0.65-0.60 pm	1.48
Ireland†	1.5067-1.5145	1.5105-1.5115	0.55-0.50c pm	4.16	1.25-1.10 pm	3.08
Canada	1.3405-1.3470	1.3415-1.3425	0.11-0.14c dis	−1.11	0.44-0.49 dis	−1.38
Netherlands	1.9885-1.9985	1.9940-1.9950	0.32-0.30c pm	1.87	1.04-0.99pm	2.04
Belgium	36.61-36.80	36.70-36.80	2pm-1 c dis	0.16	4pm-1 dis	0.16
Denmark	6.63½-6.66½	6.65¼-6.65¾	1.70-2.20ore dis	−3.52	4.25-4.75 dis	−2.71
W. Germany	1.7615-1.7730	1.7685-1.7695	0.53-0.50pf pm	3.50	1.56-1.51pm	3.48
Portugal	137-137¾	137½-137¾	70-115c dis	−8.09	240-315 dis	−8.09
Spain	123.67-124.48	124.10-124.20	50-150c dis	−9.69	200-400 dis	−9.69
Italy	1263-1270	1266¾-1267¼	2.70-3.20lire dis	−2.85	6.50-9.00 dis	−2.50
Norway	6.60½-6.62½	6.60½-6.61	4.30-4.60ore dis	−8.08	12.20-12.70dis	−7.53
France	5.89¾-5.93¼	5.91½-5.92	0.55-0.70c dis	−1.27	1.50-1.90 dis	−1.15
Sweden	6.18¾-6.20½	6.19¼-6.19¾	1.40-1.50ore dis	−2.81	3.50-3.80 dis	−2.36
Japan	138.05-139.00	138.65-138.75	0.43-0.40y pm	3.60	1.29-1.24 pm	3.66
Austria	12.39¾-12.44¾	12.42½-12.43	3.30-2.90gro pm	3.00	9.00-8.00 pm	2.74
Switzerland	1.4440-1.4570	1.4530-1.4540	0.52-0.47c pm	4.11	1.32-1.27 pm	3.58

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.00-37.10. Correction for May 1, Switzerland close: 1.4595-1.4605

CURRENCY MOVEMENTS

May 5	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.5	−19.9
U.S. Dollar	99.7	−7.3
Canadian Dollar	76.4	−11.8
Austrian Schilling	138.6	+10.1
Belgian Franc	100.3	−4.5
Danish Krone	94.1	+3.7
Deutsche Mark	147.4	+21.8
Swiss Franc	175.5	+23.9
Guilder	135.6	+14.3
French Franc	71.7	−13.0
Lira	47.9	−17.2
Yen	226.9	+69.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

EURO-CURRENCY INTEREST RATES

May 5	Short term	7 Days' notice	One Month	Three Months	Six Months	One Year
Sterling	9½-9¼	9½-9¼	9-9⅞	8 13/16-8 11/16	8¾-8⅝	8¾-8⅝
U.S. Dollar	6 13/16-6 11/16	6⅞-7	7-7⅛	7 3/16-7 1/16	7 5/16-7 3/16	7 13/16-7 11/16
Can. Dollar	7½-7¼	7½-7¼	7⅞-7⅝	8¼-8½	8¾-9	9-9¼
D. Guilder	5 5/16-5 3/16	5 5/16-5 3/16	5 5/16-5 3/16	5⅛-5⅜	5¼-5⅜	5¼-5⅝
Sw. Franc	2¾-3	2⅝-2½	3⅛-3¼	3 11/16-3 13/16	3 11/16-3 13/16	3⅞-4
Deutschmark	3¾-3⅞	3¾-3⅞	3¾-3⅞	3¾-3⅞	3¾-3⅞	3⅞-4
Fr. Franc	7⅞-8	7 13/16-8¼	8¼-8⅜	8⅞-8⅝	8⅜-8½	8½-8 11/16
Italian Lire	7½-9½	9-10	9⅝-10⅛	9½-10	9⅝-10	10⅛-10½
B. Fr. (Fin.)	7 3/16-7 5/16	7 3/16-7 5/16	7⅛-7¼	7 3/16-7 5/16	7 3/16-7 5/16	7½-7⅝
B. Fr. (Con.)	7-7½	6⅞-7⅛	7-7¼	7⅛-7⅜	7⅛-7⅜	7⅛-7⅜
Yen	3 11/16-4¼	3 13/16-4 1/16	3⅝-3 11/16	3¾-3⅞	3¾-3 13/16	3¾-3 13/16
D. Krone	10¼-10¾	10¼-10¾	10-10½	10-10½	10-10½	10⅜-10⅞
Asian $Sing.	3¼-3⅜	N/A	3 11/16-3 13/16	3 11/16-3 13/16	4-4⅛	4⅛-4¼

Long-term Eurodollars: Two years 8¼-8½ per cent; three years 8½-8¾ per cent; four years 8¾-9 per cent; five years 8⅞-9⅛ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

OTHER CURRENCIES

May 5	£	$
Argentina	2.5865-2.5980	1.5350-1.5410
Australia	2.3720-2.3750	1.4075-1.4085
Brazil	46.6910-46.9540	27.7100-27.8490
Finland	7.2735-7.2865	4.3130-4.3150
Greece	220.05-223.65	130.75-132.90
Hong Kong	13.1450-13.1660	7.8055-7.8075
Iran	117.75*	69.70*
Korea (Sth)	1387.75-1400.30	829.60-836.40
Kuwait	0.45630-0.45700	0.27100-0.27120
Luxembourg	62.00-62.10	36.70-36.80
Malaysia	4.1500-4.1600	2.4645-2.4665
Mexico	2010.00-2032.00	1199.00-1205.00
N. Zealand	2.9060-2.9135	1.7255-1.7285
Saudi Ar.	6.3140-6.3195	3.7495-3.7505
Singapore	3.5680-3.5750	2.1190-2.1210
S. Af. (Cm)	3.3565-3.3720	1.9950-1.9985
S. Af. (Fn)	4.9585-5.1095	2.9410-3.0305
Taiwan	55.10-55.40	32.75-32.85
U.A.E.	6.1845-6.1895	3.6725-3.6735

*Selling rate.

Correction for May 1, £-Rates Kuwait 0.45090-0.45130, Saudi Ar 6.2390-6.2410, U.A.E. 6.1110-6.1130.

EXCHANGE CROSS RATES

May 5	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.689	2.988	234.3	9.993	2.455	3.368	2140.	2.266	62.05
$	0.592	1.	1.769	138.7	5.918	1.454	1.995	1267.	1.342	36.75
DM	0.335	0.565	1.	78.41	3.345	0.822	1.127	716.2	0.758	20.77
YEN	4.269	7.208	12.75	1000.	42.66	10.48	14.38	9133.	9.671	264.9
F Fr.	1.001	1.690	2.990	234.4	10.	2.457	3.370	2141.	2.267	62.10
S Fr.	0.407	0.688	1.217	95.42	4.070	1.	1.372	871.5	0.923	25.27
H Fl.	0.297	0.501	0.887	69.56	2.967	0.729	1.	635.3	0.673	18.43
Lira	0.467	0.789	1.396	109.5	4.670	1.147	1.574	1000.	1.059	29.00
C $	0.441	0.745	1.319	103.4	4.411	1.084	1.486	944.4	1.	27.39
B Fr.	1.612	2.721	4.815	377.5	16.10	3.956	5.427	3448.	3.651	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Gilts very strong

A MOOD of euphoria continued in London yesterday, as financial markets showed growing confidence about a UK general election on June 11, following an encouraging result for the Conservatives in tomorrow's local elections.

The latest opinion poll also provided strong support for the Government, underpinning the strength of sterling. This gave a boost to the cash and futures interest rate markets.

Dealers noted that yields on long-term gilts had fallen and were now around the same level as rising yields on long-term US Treasury bonds.

Long-term gilt futures for June delivery rose to almost a contract high on the London International Financial Futures Exchange, touching a peak of 127-24.

The rise of $2.9bn in April UK gold and currency reserves, compared with £1.8bn in March underlined the strong level of support for the dollar provided by the Bank of England, and provided further encouragement for the market, because of the obvious demand for sterling on the foreign exchanges during the period.

This added to hopes of an early cut in UK bank base rates, as cash rates on the money market discounted a base rate reduction of ½ per cent to 9 per cent.

Lack of intervention on the money market by the Bank of England before lunch led to a temporary setback, encouraging profit taking, as the authorities refused to endorse lower base rates. There was also some nervousness ahead of the afternoon announcement about this month's gilt auction, but dealers were generally pleased with the offer of 8 per cent Treasury loan stock, due 1992, for sale on May 13.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept	Puts—Last June	Puts—Last Sept
120	7.39	8.26	0.01	0.52
122	5.40	6.55	0.02	1.17
124	3.47	5.30	0.09	1.56
126	2.03	4.15	0.29	2.41
128	0.56	3.10	1.18	3.36
130	0.22	2.26	2.48	4.52
132	0.07	1.47	4.33	6.09
134	0.02	1.14	6.28	7.40

Estimated volume total, Calls 6,127 Puts 1901
Previous day's open int: Calls 26,452 Puts 13,459

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept.	Puts—Last June	Puts—Last Sept
82	9.04	8.36	0.00	0.24
84	7.05	6.56	0.01	0.44
86	5.10	5.22	0.06	1.10
88	3.25	4.02	0.21	1.54
90	1.56	2.59	0.52	2.47
92	0.52	2.00	1.48	3.52
94	0.18	1.21	3.14	5.09
96	0.05	0.55	5.01	6.43

Estimated volume total, Calls 80 Puts 103
Previous day's open int: Calls 1,122 puts 1078

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last May	Calls-Last June	Puts-Last May	Puts-Last June
19000	18.84	19.42	0.04	0.62
19250	16.39	17.21	0.09	0.91
19500	14.00	15.10	0.20	1.30
19750	11.69	13.11	0.39	1.81
20000	9.52	11.25	0.72	2.45
20250	7.52	9.54	1.22	3.24
20500	5.75	7.99	1.95	4.19
20750	4.25	6.60	2.95	5.30

Estimated volume total, Calls 3 Puts 0
Previous day's open int: Calls 257 Puts 208

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls—Last May	June	July	Sept.	Puts—Last May	June	July	Sept.
1.45	23.20	23.20	—	23.20	0.00	0.00	—	0.04
1.50	18.20	18.20	18.20	18.20	0.00	0.00	0.01	0.17
1.55	13.20	13.20	13.20	13.20	0.00	0.01	0.09	0.56
1.60	8.20	8.20	8.20	8.90	0.00	0.16	0.48	1.45
1.65	3.25	3.86	4.41	5.55	0.15	1.01	1.69	3.10
1.70	0.36	1.26	1.89	3.12	2.26	3.41	4.17	5.67
1.75	0.00	0.25	0.62	1.57	6.90	7.40	7.90	9.12

Estimated volume total, Calls 13 Puts 300
Previous day's open int, Calls 1,228 Puts 1,436

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last May	June	July	Sept.	Puts—Last May	June	July	Sept.
1.40	17.90	17.80	—	17.70	0.30	0.45	—	1.05
1.45	12.90	12.90	—	12.70	0.60	0.80	—	1.50
1.50	15.40	15.40	15.40	15.40	0.20	0.25	0.25	0.50
1.55	13.50	13.50	13.50	13.50	0.20	0.20	0.30	0.85
1.60	8.70	8.50	8.55	9.10	0.20	0.40	0.75	1.65
1.65	3.40	4.64	4.60	5.70	0.55	1.30	1.90	3.25
1.70	0.75	1.85	2.45	3.35	2.45	3.60	4.40	5.80

Previous day's open int: Calls 279 Puts 1,417
Volume: 85

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last May	June	July	Sept.	Puts—Last May	June	July	Sept.
1.400	—	33.30	—	28.30	—	—	—	—
1.450	33.30	23.30	—	23.30	—	—	—	—
1.475	20.80	20.80	—	30.80	—	—	—	—
1.500	18.30	18.30	—	18.30	—	—	—	—
1.525	15.80	15.80	15.80	15.80	—	—	—	—
1.550	13.30	13.30	13.30	13.30	—	0.05	—	—
1.575	10.80	10.80	10.80	11.10	0.05	0.95	0.30	0.95

Previous day's open int: Calls 79,246 Puts 57,667
Previous day's volume, Calls 3,114 Puts 1,511

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls—Last June	Sept.	Dec.	Mar.	Puts—Last June	Sept.	Dec.	Mar.
92.00	0.50	0.42	0.47	—	0.04	0.35	0.61	—
92.25	0.30	0.29	0.36	—	0.09	0.47	0.75	—
92.50	0.15	0.19	0.26	—	0.19	0.62	0.90	—
92.75	0.05	0.12	0.19	—	0.34	0.80	1.08	—
93.00	0.01	0.07	0.13	—	0.55	1.00	1.27	—
93.25	0.00	0.04	0.08	—	0.79	1.22	1.47	—
93.50	0.00	0.02	0.05	—	1.04	1.45	1.69	—

Previous day's open int: Calls 1,104, Puts 1,015
Estimated volume, Calls 16, Puts 0

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
June	127-19	127-24	126-30	126-07
Sept.	127-19	127-16	127-03	126-08
Dec.	127-19	—	—	126-08

Estimated volume 32,984 (15,485)
Previous day's open int. 23,281 (23,042)

10% NOTIONAL SHORT GILT
£100,000 64ths of 100%

	Close	High	Low	Prev.
June	—	—	—	—

Estimated Volume 0 (0)
Previous day's open int. 0 (0)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
June	91.37	91.37	91.15	91.05
Sept.	91.61	91.60	91.46	91.31
Dec.	91.56	91.51	91.44	91.31
Mar.	91.38	91.34	91.31	91.18
June	91.26	91.19	91.17	91.06
Sept.	91.18	—	—	90.98

Estimated Volume 8,670 (4,909)
Previous day's open int. 27,780, (28,711)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
June	208.80	209.60	208.00	207.90
Sept.	212.55	213.00	212.10	212.05

Estimated volume 464 (922)
Previous day's open int. 4,382 (4,334)

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
June	92.46	92.48	92.41	92.56
Sept.	92.07	92.08	91.98	92.20
Dec.	91.86	91.86	91.78	92.00
March	91.71	91.70	91.63	91.84
June	91.56	91.55	91.55	91.68
Sept.	91.40	—	—	91.51
Dec.	91.24	—	—	91.33
Mar.	91.11	—	—	91.19

Estimated volume 7,220 (4,964)
Previous day's open int. 29,171 (29,472)

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
June	91-02	91-08	90-04	91-24
Sept.	90-06	90-09	90-09	90-28

Estimated Volume 4,211, (3,313)
Previous day's open int. 5,326 (5,553)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6885	1.6857	1.6803	1.6791	1.6785

IMM—STERLING $e per £

	Latest	High	Low	Prev
June	1.6805	1.6835	1.6780	1.6805
Sept.	1.6780	1.6800	1.6740	1.6760
Dec.	1.6770	1.6775	1.6705	1.6725
Mar.	1.67608	1.6760	—	1.6710

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.6785	1.6805	1.6785	1.6632
Sept.	1.6745	—	—	1.6570
Dec.	1.6715	—	—	1.6530

Estimated volume 8 (10)
Previous day's open int 241 (241)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
June	91.08	91.14	90.12	90.16
Sept.	90.07	90.14	89.11	89.16
Dec.	89.08	89.14	88.15	88.18
Mar.	88.11	88.17	87.31	87.22
June	87.16	87.22	87.11	86.28
Sept.	—	86.25	86.25	86.05
Dec.	86.03	86.08	86.03	85.15
Mar.	—	—	—	84.27
June	—	—	—	—
Sept.	—	—	—	83.24
Dec.	—	—	—	83.09

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Close	High	Low	Prev.
June	93.73	93.75	93.68	93.67
Sept.	93.26	93.30	93.18	93.17
Dec.	93.06	93.09	92.97	92.96
Mar.	92.90	92.93	92.85	92.81
June	92.76	92.77	92.69	92.67
Sept.	92.63	92.66	—	92.54
Dec.	92.49	92.49	92.45	92.41
Mar.	92.33	92.33	92.31	92.28

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Close	High	Low	Prev.
June	0.6907	0.6944	0.6905	0.6951
Sep.	0.6966	0.6996	0.6961	0.7006
Dec.	0.7055	0.7060	0.7035	0.7075
Mar.	0.7099	—	0.7099	0.7122

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
June	0.7233	0.7257	0.7227	0.7256
Sept.	0.7300	0.7323	0.7290	0.7320
Dec.	0.7385	0.7390	0.7370	0.7390
Mar.	—	—	—	0.7466
June	—	—	—	0.7548

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
June	0.5673	0.5688	0.5669	0.5687
Sept.	0.5725	0.5739	0.5719	0.5736
Dec.	0.5780	0.5780	0.5780	0.5789
Mar.	0.5822	0.5822	0.5822	0.5839

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
June	92.45	92.47	92.42	92.41
Sept.	92.06	92.08	92.00	92.00
Dec.	91.85	91.88	91.80	91.79
Mar.	91.68	91.72	91.64	91.63
June	91.53	91.56	91.48	91.47
Sept.	91.37	91.40	91.34	91.32
Dec.	91.21	91.24	91.20	91.17
Mar.	91.05	91.10	91.01	91.02

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
June	293.80	294.15	292.25	291.70
Sept.	295.75	296.00	294.30	293.60
Dec.	297.60	298.20	296.50	295.50
Mar.	299.00	299.20		297.10

MONEY MARKETS

Pressure increases

PRESSURE FOR a cut in UK bank base rates increased yesterday, as the latest opinion poll, by Harris for TV-AM, gave the Conservative Party a lead of 14 points over Labour, and Britain's official reserves rose $2.9bn in April, compared with $1.8bn in March. This reflected continued operations by the Bank of England to stem the upward pressure on the pound.

Interest rates fell, with three-month interbank quoted at 8 11/16-8 9/16 per cent, compared with 9 1/16-9⅛ per cent on Friday.

UK clearing bank base lending rate 9½ per cent since April 28

As rates discounted a cut of ½ per cent to 9 per cent in base rates, discount houses became reluctant sellers of bills at present official intervention rates.

Before lunch yesterday the houses offered bills to the Bank of England at unacceptable rates, and the central bank did not operate in the market.

The weakness of the dollar has produced a flow of money into London, because of relatively high interest rates and the favourable political an economic climate. Speculation the authorities will soon be forced to endorse another cut in base rates has followed the resulting strength of sterling.

On Friday the Bank of England attempted to ease the downward pressure on rates by providing about half the required help in the form of a long repurchase agreement, buying £518m bills at 9 7/16-9 15/32 per cent, for resale to the market on May 26.

Similar terms were provided yesterday afternoon in a repurchase agreement, as the authorities continued to signal their present opposition to a base rate cut.

With a large amount of late assistance the Bank of England provided enough help to take out yesterday's shortage, but before this was announced overnight money rose to 19 per cent, on fears the market would be left short of funds.

The Bank of England initially forecast a money market shortage of £800m yesterday, but revised this to £950m at noon and to £1,050m in the afternoon. Total help of £1,074m was provided.

In the afternoon the authorities bought £489m bills, including £284m outright, by way of £162m bank bills in band 1 at 9⅜ per cent, and £122m bank bills in band 2 at 9 5/16 per cent. Another £205m bills were bought for resale to the market on May 28 at a rate of 9 15/32 per cent.

Late assistance of around £585m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £914m, with Exchequer transactions absorbing £10m, and bank balances below target another £220m. These outweighed a fall in the note circulation adding £320m to liquidity.

FT LONDON INTERBANK FIXING

(11.00 a.m. May 5) 3 months U.S. dollars		6 months U.S. dollars	
bid 7 3/16	offer 7 5/16	bid 7 5/16	offer 7 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	8
Broker loan rate	8¼-8
Fed. funds	7⅛
Fed funds at intervention	6⅞

Treasury Bills and Bonds

One month	5.38	Three year	7.81
Two month	5.62	Four year	8.00
Three month	5.95	Five year	8.08
Six month	6.37	Seven year	8.31
One year	6.86	10 year	8.47
Two year	7.41	20 year	8.68

May 5	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.70-3.80	3.85-4.00	3.80-3.95	3.85-4.00	3.85-4.00	5.0
Paris	7 13/16-8 1/16	8⅛-8¼	8⅛-8¼	8⅛-8¼	8 1/16-8 3/16	7¾
Zurich	⅞-1⅛	3⅛-3¼	—	3¾-3⅞	—	—
Amsterdam	5¼-5⅜	5¼-5⅜	—	5¼-5⅜	—	—
Tokyo	3.34375	3.84375	—	3.96875	—	—
Milan	10-10½	9⅞-10⅛	—	10-10½	—	—
Brussels	5.20	7⅛-7¼	—	7 3/16-7 5/16	—	—
Dublin	12-12¼	11 9/16-11 11/16	10⅝-10⅞	10⅝-10⅞	10-10¼	—

LONDON MONEY RATES

May 5	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	19-9	9¼-9⅛	9 3/16-9 1/16	9 1/16-8 15/16	9-8 13/16	9-8 13/16
Sterling CDs	—	—	9 3/16-9 1/16	8 15/16-8 13/16	8 13/16-8 11/16	8 13/16-8 11/16
Local Authority Deposits	9½	9½	9	8⅞	8 11/16	8 11/16
Local Authority Bonds	—	—	9⅛	9½	9 1/16	9 1/16
Discount M'ket Deposits	10-9⅝	9⅜	9	8½	—	—
Company Deposits	—	9¼	9½-9⅛	9⅛	9	9
Finance House Deposits	—	—	9⅛	9	9	9
Treasury Bills (Buy)	—	—	9 1/16	8¾	—	—
Bank Bills (Buy)	—	—	9 1/16	8¾	8½	—
Fine Trade Bills (Buy)	—	—	9¼	9⅛	9⅛	—
Dollar CDs	—	—	7.05-7.00	7.20-7.15	7.55-7.50	7.90-7.85
SDR Linked Deposits	—	—	6 1/16-5 15/16	6¼-6	6⅜-6¼	6⅝-6½
ECU Linked Deposits	—	—	6 13/16-6 11/16	6 13/16-6 11/16	6 13/16-6 11/16	7 1/16-7 3/16

Treasury Bills (sell); one-month 8 13/16 per cent; three-months 8⅝ per cent; Bank Bills (sell); one-month 8 13/16 per cent; three months 8 11/16 per cent; Treasury Bills; Average tender rate of discount 8.6988 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day April 30, 1987. Agreed rates for period May 26 to June 25, 1987, Scheme I: 11.29 p.c., Schemes II & III: 11.11 p.c. Reference rate for period April 1 to April 30, 1987, Scheme IV: 9.843 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from May 1, 1987: Bank Deposit Rates for sums at seven days' notice 3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent; one-three months 8⅝ per cent; three-six months 8⅝ per cent; six-nine months 8⅝ per cent; nine-12 months 8⅝ per cent; Under £100,000 8 per cent from May 6. Deposits held under Series 5 10¼ per cent. Deposits withdrawn for cash 5 per cent.

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

FT-ACTUARIES WORLD INDICES

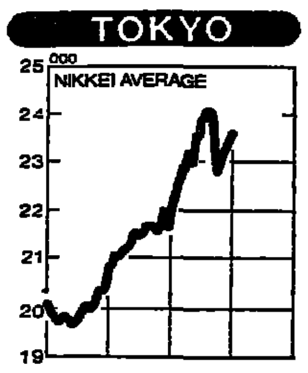
Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY MAY 4 1987					DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	1987 High	1987 Low	Year ago (approx)
Australia (94)	128.58	+0.9	114.21	121.65	2.87	134.48	99.92	95.90
Austria (16)	91.53	+0.0	81.31	85.32	2.18	101.62	91.10	89.52
Belgium (47)	120.68	−0.5	107.20	111.16	4.28	122.35	96.19	81.13
Canada (131)	126.33	+0.6	112.22	122.35	2.35	136.17	100.00	99.93
Denmark (39)	115.44	+0.0	102.54	105.27	2.40	124.10	98.18	104.63
France (122)	120.54	−0.3	107.08	112.50	2.41	121.08	98.39	91.86
West Germany (90)	93.91	−0.5	83.42	86.88	2.14	100.33	84.00	89.56
Hong Kong (45)	102.76	+0.4	91.28	103.01	3.19	114.71	96.89	74.72
Ireland (14)	124.97	+0.0	111.01	117.78	3.62	131.44	99.50	92.93
Italy (76)	111.99	−0.1	99.48	106.55	1.53	112.11	94.76	94.12
Japan (456)	156.30	+1.1	138.84	138.72	0.48	157.78	100.00	73.19
Malaysia (36)	151.13	−0.1	134.25	144.05	2.66	155.25	98.24	68.01
Mexico (14)	180.98	+0.0	160.76	234.87	0.91	180.98	99.72	51.80
Netherland (38)	113.66	−0.7	100.97	104.35	4.25	118.24	99.65	86.05
New Zealand (27)	94.39	−0.2	83.85	87.02	3.11	100.59	83.93	69.98
Norway (24)	131.02	−2.7	116.39	118.84	2.12	139.79	100.00	98.37
Singapore (27)	126.05	+0.5	111.97	123.32	1.91	127.09	99.29	57.65
South Africa (61)	175.43	−0.9	155.83	118.01	3.37	186.74	100.00	93.08
Spain (43)	110.75	−1.4	98.38	105.33	3.63	121.31	100.00	87.30
Sweden (33)	121.98	−0.7	108.35	113.04	2.04	123.51	90.85	86.60
Switzerland (51)	98.69	+0.3	87.66	89.33	1.92	104.06	93.26	83.86
United Kingdom (340)	137.81	+0.0	122.42	122.42	3.38	137.81	99.65	101.51
USA (597)	118.59	+0.4	105.34	118.59	3.06	124.06	100.00	99.83
Europe (933)	118.80	−0.2	105.53	108.16	2.89	119.06	99.78	94.00
Pacific Basin (687)	153.30	+1.1	136.18	136.81	0.62	154.75	100.00	73.96
Euro–Pacific (1620)	139.54	+0.6	123.95	125.40	1.39	140.00	100.00	81.86
North America (728)	118.99	+0.4	105.70	118.81	3.02	124.60	100.00	99.80
World Ex. US (1826)	139.48	+0.6	123.90	128.76	1.45	139.87	100.00	82.56
World Ex. UK (2083)	130.68	+0.6	116.08	123.04	1.87	131.27	100.00	88.19
World Ex. So. Af. (2362)	131.02	+0.5	116.39	122.97	2.00	131.02	100.00	89.29
World Ex. Japan (1965)	119.43	+0.2	106.09	115.07	2.97	121.08	100.00	97.03
The World Index (2423)	131.31	+0.5	116.64	122.96	2.02	131.31	100.00	89.32

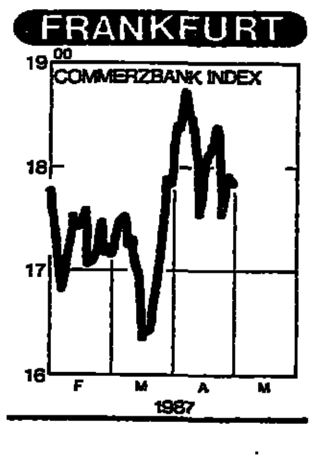
Base values: Dec 31, 1986 = 100

Latest prices unavailable for this edition.

TOKYO



FRANKFURT



EUROPEAN OPTIONS EXCHANGE

Series		May 87 Vol.	May 87 Last	Aug 87 Vol.	Aug 87 Last	Nov 87 Vol.	Nov 87 Last	Stock
GOLD C	$400	56	61A	19	72A	—	—	$459.00
GOLD C	$420	146	38	—	—	—	—	"
GOLD C	$440	237	22	79	38	10	53	"
GOLD C	$460	315	9	101	30	17	45	"
GOLD C	$480	119	3	282	22	—	—	"
GOLD C	$500	24	1.70	201	15	10	26	"
GOLD P	$360	—	—	100	0.50	—	—	"
GOLD P	$370	—	—	78	0.90	—	—	"
GOLD P	$440	195	2A	165	11.50	—	—	"
GOLD P	$460	52	9	—	—	—	—	"
GOLD P	$480	285	22B	—	—	—	—	"
		Jun 87		Sep 87		Dec 87		
SILVER C	$700	—	—	—	—	21	250A	$850
SILVER C	$900	92	90	33	120A	—	—	"
SILVER C	$1000	173	45	78	95	26	110A	"
SILVER P	$850	35	100	—	—	—	—	"
£/Fl C	Fl.325	215	11	—	—	—	—	Fl.336.04
£/Fl C	Fl.340	—	—	215	3.20	—	—	"
		May 87		Jun 87		Jul 87		
$/Fl C	Fl.200	71	1.90	269	3.30	—	—	Fl.199.35
$/Fl C	Fl.205	—	—	791	1	28	2.20	"
$/Fl C	Fl.210	—	—	601	0.40	110	1	"
$/Fl P	Fl.190	—	—	261	0.80	—	—	"
$/Fl P	Fl.195	—	—	805	1.60	37	3	"
$/Fl P	Fl.200	234	2	458	4	10	5.20	"
$/Fl P	Fl.205	35	5.50	225	7	—	—	"
		Sep 87		Dec 87		Mar 88		
$/Fl C	Fl.190	271	10.80	21	11.50	—	—	Fl.199.35
$/Fl C	Fl.200	354	5.45	198	6.50	81	7.50	"
$/Fl C	Fl.205	12	3.50	26	4.60	10	5.30	"
$/Fl C	Fl.210	120	2.30	—	—	64	4	"
$/Fl C	Fl.215	112	1.40	—	—	—	—	"
$/Fl P	Fl.190	30	3.20	186	4.50	—	—	"
$/Fl P	Fl.195	19	4.70	—	—	—	—	"
$/Fl P	Fl.200	12	7.50	20	9.30	—	—	"
$/Fl P	Fl.205	240	10.50	—	—	—	—	"
		July 87		Oct 87		Jan 88		
ABN C	Fl.540	376	5.30	39	9.80	30	18	Fl.488
ABN P	Fl.460	135	4.50	18	11.50	—	—	"
AEGON C	Fl.100	74	1	9	2.40	—	—	Fl.89.30
AEGON P	Fl.95	36	8.80	—	—	2	10.20	"
AHOLD C	Fl.100	110	9	—	—	—	—	Fl.106.20
AHOLD P	Fl.110	53	6.50	—	—	—	—	"
AKZO C	Fl.140	288	1.80	205	4.70	120	6.50	Fl.127.30
AKZO P	Fl.140	620	13.50	9	14	197	14.50	"
AMEV C	Fl.65	50	1.80	6	2.80	—	—	Fl.61.20
AMEV P	Fl.55	—	—	21	1.60	—	—	"
AMRO C	Fl.90	191	0.80	37	1.50	—	—	Fl.75.50
AMRO P	Fl.85	61	9.80	8	10.50	5	11.20	"
ELSEVIER C	Fl.48	53	4	—	—	—	—	Fl.50.20
ELSEVIER P	Fl.48	65	1.10	—	—	—	—	"
GIST-BROC C	Fl.45	383	1.60	14	3	—	—	Fl.44.40
GIST-BROC P	Fl.45	79	3.20	12	4.30A	—	—	"
HEINEKEN C	Fl.180	112	5.20	10	7.50	1	9.50	Fl.177.00
HEINEKEN P	Fl.170	36	3.20	21	5.50	—	—	"
HOOGOVENS C	Fl.40	106	2	51	3.50	8	4.50	Fl.39.20
HOOGOVENS P	Fl.35	67	1.70	60	2.40	—	—	"
KLM C	Fl.40	213	3.80	2	4.30B	—	—	Fl.42.00
KLM P	Fl.40	59	1.20	6	2.70	30	3.20	"
NED. LLOYD C	Fl.150	41	2.30	11	4	5	6.50	Fl.142.00
NED. LLOYD P	Fl.130	151	4.50B	14	7	21	9	"
NAT. NED. C	Fl.80	864	0.90	31	1.90	1	2.90	Fl.70.00
NAT. NED. P	Fl.70	239	3.20	135	4.30	5	5.30	"
PHILIPS C	Fl.50	784	1.90	216	3.50	40	4.50	Fl.48.00
PHILIPS P	Fl.50	984	3.20	139	4B	29	4.80	"
ROYAL DUTCH C	Fl.250	828	2.90	465	4.70	35	7	Fl.240.10
ROYAL DUTCH P	Fl.230	620	5.50	36	7.70	2	9	"
UNILEVER C	Fl.600	199	11.90	37	21.50	—	—	Fl.578.00
UNILEVER P	Fl.540	76	6.10	6	11.50	—	—	"

TOTAL VOLUME IN CONTRACTS: 35,730

A=Ask B=Bid C=Call P=Put

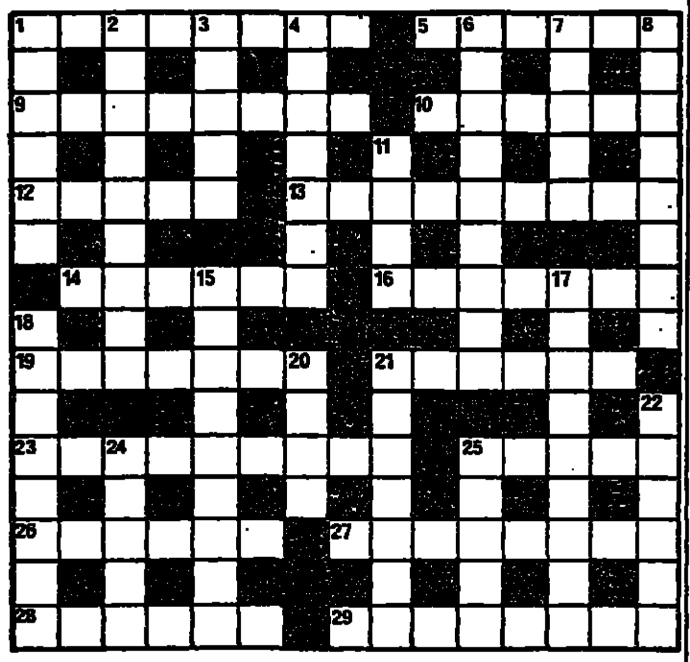
BASE LENDING RATES

	%		%		%
ABN Bank	9½	● Charterhouse Bank	9½	Midland Bank	9½
Adam & Company	9½	Citibank NA	9½	● Morgan Grenfell	9½
Allied Arab Bk Ltd	9½	Citibank Savings	¶12.45	Mut Credit Corp. Ltd.	9½
Allied Dunbar & Co	9½	City Merchants Bank	9½	Nat Bk. of Kuwait	9½
Allied Irish Bank	9½	Clydesdale Bank	9½	NatWestminster	9½
American Exp. Bk.	9½	Comm. Bk. N. East	9½	Northern Bank Ltd	9½
Amro Bank	9½	Consolidated Cred.	9½	† Norwich Gen. Trust	9½
Henry Ansbacher	9½	★ Co-operative Bank	9½	PK Finans. Intl (UK)	10
ANZ Banking Group	9½	Cyprus Popular Bk	9½	Provincial Trust Ltd	11
Associates Cap Corp.	9	Duncan Lawrie	9½	R. Raphael & Sons	9½
Authority & Co Ltd	10	E. T. Trust	11	Roxburghe G'rantee	10½
Banco de Bilbao	9½	Equat'l Tst C'p plc	9½	Royal Bk of Scotland	9½
Bank Hapoalim	9½	Exeter Trust Ltd.	10	Royal Trust Bank	9½
Bank Leumi (UK)	9½	Financial & Gen. Sec.	9½	Smith & Winston Secs	9½
Bank Credit & Comm	9½	First Nat. Fin. Corp.	10½	Standard Chartered	9½
Bank of Cyprus	9½	First Nat. Sec. Ltd	10½	Trustee Savings Bank	9½
Bank of Ireland	9½	● Robert Fleming & Co.	9½	UDT Mortgage Exp.	¶11.1
Bank of India	9½	Robert Fraser & Ptrs.	10½	United Bk of Kuwait	9½
Bank of Scotland	9½	Girobank	9½	United Mizrahi Bank	9½
Banque Belge Ltd	9½	Grindlays Bank	‡9½	Unity Trust PLC	9½
Barclays Bank	9½	● Guinness Mahon	9½	Westpac Bank. Corp.	9½
Benchmark Tst Ltd	9½	HFC Trust & Savings	9½	Whiteaway Laidlaw	10
Beneficial Trust Ltd	11	● Hambro Bank	9½	Yorkshire Bank	9½
Berliner Bank AG	9½	Heritable & Gen. Tst.	9½		
Brit Bk of Mid East	9½	● Hill Samuel	§9½		
● Brown Shipley	9½	C. Hoare & Co.	9½		
Business Mtge Tst	9½	Hongkong & Shangh	9½		
CL Bank Nederland	9½	Lloyds Bank	9½		
Canada Permanent	9½	Mase Westpac Ltd.	9½		
Cayzer Ltd	9½	Meghraj & Sons Ltd	9½		

● Members of the Accepting Houses Committee. ★ 7-day deposits 4.65%. Sawewise 7.64%. Top Tier—£2,500+ at 3 months' notice 9.38%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 5¼% gross. ¶ Mortgage base rate. § Demand deposit 4.65%. Mortgage 11.25%.

FT CROSS PUZZLE No. 6,319

DANTE



ACROSS

1 This sort of clue is included in the French game (8)
5 Laces on running shoes (6)
9 Sailor on a voyage to save money (4,4)
10 Capital of Tobago? (6)
12 Game part of "Letter from Brezhnev" (5)
13 Where noodles may end up? (2,3,4)
14 Bill returns to telephone, showing concern (6)
16 Affected with slight insanity (7)
19 Broken treadle had a warning notice (7)
21 Describing an unborn baby of late development (6)
23 Keeps clear — it looks unsupported (5,4)
25 News agencies (5)
26 This drink can go a hundred years back (6)
27 Preserved meat makes sailor grumble (4,4)
28 Hoover, for example, sets me back about £25 (6)
29 Sailing away for a look, we hear (3,2,3)

DOWN

1 Instruction for the French boy (6)
2 Take the car, beetle off and whoop it up (9)
3 Gold blend tea in spout (5)
4 A single way of making an impression (7)
6 *Sue creeps out in confusion* (9)
7 Old capital of Japan changed to Tokyo (5)
8 A run caused by panic in the stock market, perhaps (8)
11 Impressive plea for restitution (4)
15 Lack of will (9)
17 Man to speak to for capital investment (4-5)
18 The killing of many people over a restricted area (8)
20 Swallow feathers (4)
21 Rugby player is crafty one of a pair (3-4)
22 A binding affair, perhaps (6)
24 A long drawn out English prefix (5)
25 An air of sanctity (5)

Solution to Puzzle No. 6,318

M	U	R	M	U	R		C	H	A	S	S	E	U	R
E		O		R		A		A		C		N		E
T	W	A	N	G	E	D		B	A	R	Y	T	E	S
A		S		E		D		I		E		E		I
P	A	T	E		C	L	O	T	H	E	A	R	E	D
H		B		N		E		U		C				E
O	P	E	N	E	R		W	A	S	H	O	U	T	
R		E		V		S		L		O		T		C
	O	F	F	E	R	E	D		T	W	I	T	C	H
A				R		N		B		L		E		A
B	R	A	I	N	S	T	O	R	M		G	R	I	P
B		L		E		E		O		A		M		E
E	N	L	I	V	E	N		C	O	N	T	O	U	R
S		I		E		C		K		N		S		O
S	E	N	T	R	I	E	S		M	A	R	T	I	N

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing 01-623 8211

High Inc	283.0	301.0	+0.9	4.73
(Accum Units)	349.8	372.1	+1.0	4.73
UK Growth	351.7	374.1		2.37
(Accum Units)	373.5	397.3	-0.1	2.37

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLA Gen. Tst.	41.9	44.4	+0.1	1.68
MLA Income Trust	55.5	58.8	—	3.82
MLA Int	61.2	64.8	-0.1	0.81
MLA Gilt Unit Tst	26.1	26.8	+0.3	9.70
MLA European Trust	34.5	36.5	-0.3	0.68
MLA American Tst	26.5	28.0	-0.1	0.89
MLA Emerging Mkts. Tst	23.8	25.2	-0.3	0.70

ManuLife Management Ltd
St George's Way, Stevenage 0438 356101

Gilt&F'xd Int	122.8	127.1	—	6.08
Growth Units	101.9	108.3	—	2.52
High Income Unit	143.7	152.7	—	3.87
High Yielding Gilt Uts	61.6	63.8	—	8.47
Intl Growth Unit Tst	152.9	162.5	—	0.19
UK Smaller Cos.	115.6	122.9	—	1.92
North American	78.4	83.5	—	0.56
Far East	138.7	147.4	—	0.02

Mayflower Management Co Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Income April 13	313.0	333.0	—	3.35
General April 13	245.8	261.5	—	1.87
International April 13	147.6	157.1	—	0.67
Global Inc Fd April 13	48.0	51.1	—	5.19

Medical Investments Limited
4 Sandys Row, London E1 7HW. 01-247 1167/8/9

Health Fund	48.6	51.3	+0.1	—

Mencap Unit Trust Mngrs Ltd (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Mencap	172.9	182.9	—	3.98

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

American Growth	102.4	108.3	-0.4	2.44
(Accum Units)	107.3	113.5	+0.4	2.44
British Blue Chip Fund	47.3	50.0	—	—
American Smaller Cos Fd				
American Sm Cos Ex Fd	44.9	46.0	-0.5	0.01
(Accum Units)	44.9	46.0	-0.5	0.01
American Income	50.1	53.0	—	5.14
(Accum Units)	54.3	57.4	-0.1	5.14
European Growth	140.8	149.7	-0.7	0.57
(Accum Units)	145.7	155.0	-0.7	0.57
European Income	81.4	86.5	-0.3	3.46
(Accum Units)	81.6	88.9	-0.4	3.46
General	327.2	346.2	+0.7	1.96
(Accum Units)	543.4	575.0	+1.2	1.96
Gilt	92.4	92.8	+0.7	7.06
(Accum Units)	107.5	108.0	+0.8	7.06
Global Fund	47.3	50.0	—	—
High Interest Fund	47.3	50.0	—	—
High Income Fund				
Income	109.4	115.7	+0.4	4.22
(Accum Units)	124.8	132.0	+0.5	4.22
International	285.0	301.5	+0.8	1.20
(Accum Units)	354.7	375.3	-1.0	1.20
Japan	219.0	232.9	+1.3	0.55
(Accum Units)	224.8	239.1	+1.3	0.55
Pacific Fd	47.3	50.0		—
Recovery	266.0	281.4	+1.7	2.43
(Accum Units)	289.2	306.0	+1.9	2.43
UK Smaller Co's Fd	47.3	50.0		—
Exempt April 29	318.6	326.7	+10.4	2.51
(Accum Units)	499.0	511.7	+16.2	2.51

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

UK Income Fund	50.2	53.4	—	5.6
Accum Units	50.6	53.9	—	5.3
UK Growth Fund Acc.	49.9	53.0	—	1.9
Global Income Fund	48.0	51.0	—	3.95
Accum Units	48.0	51.0	—	—
Global Growth Fund	46.6	49.5	—	0.8

Midland Bank Group UT Mngrs. Ltd
Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel. 0742 769842

Capital	106.3	112.7	+0.5	1.40
(Accum Units)	145.9	154.8	+0.6	1.40
Commodity & Gen.	179.7	190.6	+1.6	1.42
(Accum Units)	256.5	272.1	+2.3	1.42
European Growth	129.6	137.5	-0.5	1.08
(Accum Units)	156.1	165.6	—	1.07
Extra High Inc	69.3	73.3	+0.1	6.96
(Accum Units)	83.9	89.0	—	6.96
Gilt & Fxd. Inc.	57.1	59.6	+0.5	8.29
(Accum Units)	98.0	102.3	+0.7	8.29
High Yield	194.8	206.6	—	4.65
(Accum Units)	344.4	365.4	—	4.65
Income	220.8	234.2	-0.2	3.07
(Accum Units)	370.0	392.6	-0.3	3.07
Intl High St UT	50.9	54.1	—	1.85
Do. Accum	50.9	54.1	—	1.85
Japan and Pacific	368.2	390.6	+6.7	0.18
(Accum Units)	386.8	410.4	+7.1	0.18
Managed Portfolio Acc	62.5	66.1	+0.3	2.75
North American	116.2	123.2	-1.6	1.44
(Accum Units)	139.7	148.3	-1.8	1.44
Smaller Cos.	166.8	176.9	+1.7	1.41
(Accum Units)	179.3	190.2	+1.8	1.41

MIM Britannia Unit Tst Mgrs Ltd (a)(c)(g)
74-78 Finsbury Pavement, London EC2A 1JD
01-588 2777 Dealing: 01-638 0478/0479

UK Specialist Trusts				
Growth Gilt	63.1	64.1	(z)	0.40
Smaller Companies	196.6	209.7	(z)	0.66
Special Features	122.4	130.1	(z)	0.81
(Accum Units)	128.4	137.0	(z)	0.82
General Funds				
Assets & Earnings	58.5	62.4	(z)	2.00
Accum Units	58.5	62.4	(z)	2.00
Managed Invest Fund	62.3	66.5	(z)	1.38
UK Growth	46.7	49.8	(z)	1.64
High Income Funds				
Extra Income	69.9	74.6	(z)	5.79
Gilt	27.6	29.1	—	8.7
Income & Growth	257.4	274.6	(z)	3.41
National High Income	243.9	260.2	(z)	3.84
Preference Shares	19.1	20.4	(z)	9.11
Sector Specialist Funds				
Commodity Shares	206.4	220.2	(z)	0.53
Financial Securities	55.6	59.5	(z)	0.89
Gold	91.4	98.5	(z)	0.00
Accum Units	94.6	102.0	(z)	0.0
International Leisure	15.1	16.1	(z)	—
Property Shares	88.1	94.0	(z)	0.0
Universal Energy	52.5	55.8	(z)	0.67
World Technology	45.9	49.0	(z)	0.00
Exempt Funds				
Exempt	107.7	112.8	(z)	3.10
Overseas Growth Funds				
American Growth	99.1	105.7	(z)	0.98
US Smaller Companies	65.5	69.9	(z)	0.00
(Accum Units)	66.2	70.6	(z)	0.00
Australian Growth	98.9	105.5	(z)	0.57
Europe Perf	90.0	96.0	(z)	0.36
(Accum Units)	90.3	96.3	(z)	0.36
European Smaller Cos.	16.8	17.9	—	1.09
Far East	64.9	69.2	(z)	0.07
French Growth	49.0	52.3	(z)	0.72
Accum Units	49.0	52.3	(z)	0.72
Hong Kong	32.3	34.5	(z)	1.12
International Growth	40.6	43.3	(z)	0.93
International Recovery	114.3	121.9	(z)	0.44
Japan Perf	90.4	96.4	(z)	0.00
Accum Units	88.2	94.1	(z)	0.00
Japan Smaller Cos	16.5	17.6	(z)	0.00
Overseas Income Funds				
Intnl High Income	58.5	62.4	(z)	3.62
US Income	56.6	60.4	(z)	4.97
(Accum Units)	62.9	67.1	(z)	4.37
NEL Trusts				
Nelstar Gilt & FI	70.5	72.3	(z)	8.71

Minster Fund Managers Ltd
Minster House, Arthur St, EC4R 9BH 01-623 1050

Minster	144.4	149.4	—	3.00
Exempt March 31	344.8	352.8	—	3.45

Murray Johnstone UT Mgmt. (a)
163 Hope Street, Glasgow G2 2UH 041-221 9252

American 28/4/87	113.8	121.4	-1.0	3.57
Equity Income	74.8	79.8	+0.3	3.64
European	260.9	278.5	-1.6	2.67
Far Eastern	98.9	105.5	+1.0	0.27
Smaller Cos.	302.4	322.8	+1.6	0.80
Diversified	49.4	52.7	+0.6	1.23
Murray Exempt Funds*				
Amer Exempt April 28	334.6	347.9	—	3.77
EuroExempt April 28	394.0	419.7	—	5.06
Japan Exempt April 28	489.4	507.5	—	0.76
Managed Exempt May 4	261.3	271.7	+2.0	3.25
SE Asia Exempt April 28	197.2	207.0	—	2.18

*Unauthorised

NFU Mutual Unit Managers Ltd
35 Fountain St, Manchester M2 2AF 061-236 5685

Avon Equity	75.2	80.0	+0.2	1.93

NM Schroder Unit Trust Mngrs
Enterprise House, Portsmouth 0705 827733

American	137.1	145.8	-1.2	0.75
(Accum Units)	141.1	150.1	-1.3	0.75
Australian	109.1	116.6	+5.7	0.81
(Accum Units)	119.4	127.8	+6.2	0.81
European	124.4	132.3	-0.9	1.01
(Accum Units)	128.5	136.6	-0.9	1.01
Extra Income	70.3	74.7	+0.2	6.05
(Accum Units)	76.9	81.8	+0.1	6.05
Far Eastern Growth Acc.	72.6	77.2	+0.8	0.00
Gilt & F I	57.9	61.0	+0.4	7.89
(Accum Units)	91.8	96.8	+0.7	7.89
Gold	67.8	72.1	+1.2	1.18
(Accum Units)	71.9	76.4	+1.3	1.18
Income	225.1	239.4	+0.5	4.14
(Accum Units)	511.7	544.3	+1.1	4.14
Intnl	128.4	136.5	-0.2	0.39
(Acc. Units)	177.9	189.2	-0.3	0.39
Jap. Smaller Cos.	131.4	139.7	+2.1	0.00
Singapore	77.3	82.2	+0.3	0.67
(Accum Units)	80.2	85.3	+0.2	0.67
Smaller Co's	169.0	179.7	+0.5	0.89
(Accum Units)	178.0	189.3	+0.4	0.89
Special Sits.	147.2	156.5	+0.7	0.82
(Accum Units)	154.0	163.8	+0.7	0.82
Tokyo	258.0	274.4	+5.0	0.00
(Accum Units)	260.8	277.4	+5.0	0.00
UK Equity	130.8	139.1	+0.5	2.42
(Accum. Units)	204.5	217.5	+0.4	2.42
US Smaller Cos.	52.2	55.5	-0.6	0.00

National Provident Inv Mgrs Ltd
48 Gracechurch St, EC3P 3HH 01-623 4200

NPI Americas Accum	62.3	66.3	-0.5	1.3
NPI European Accum	58.9	62.7	-0.2	0.8
NPI Far East Accum	108.9	115.9	-0.4	0.1
NPI O'seas Dist	625.3	665.3	-2.0	1.3
(Accum Units)	768.7	817.8	-2.4	1.3
NPI Uk Dist	258.6	275.2	-0.1	2.4
(Accum Units)	424.9	453.1	-0.2	2.4
NPI Worldwide Accum	61.4	65.4	-0.2	1.7

Norwich Unit Trust Managers
PO Box 4, Norwich NR1 3NG 0603 622200

Group Tst. Fund	1483.9	1562.0	+1.0	2.72
Group Intnl Tst. Fd	138.1	145.4	-0.2	0.94
Pacific Trust Fund	132.9	139.9	+2.1	0.00
European Trust Fund	114.4	120.4	-0.4	0.85
N American Tst Fund	92.2	97.0	-0.2	1.26

Octavian Unit Trust Mgrs Ltd
84 Fenchurch St, London EC3M 4BY 01-265 0371

Special Trust	71.1	75.2	—	1.1

Oppenheimer Fund Mngt Ltd
66 Cannon St, London EC4N 6AE Dlg. 01-236 3885

International Growth	160.2	170.5	+0.1	—
Income & Growth	77.7	82.7	+0.4	2.53
Worldwide Recovery	112.7	119.9	+0.1	1.00
American Growth	32.6	34.5	-0.3	—
Japan Growth	66.1	70.0	+1.6	—
European Growth	73.2	77.9	-0.1	0.90
UK Growth	73.6	78.3	+0.6	0.50
Pacific Growth	57.0	60.6	+1.1	—
High Income	40.7	43.3	+0.1	5.72
Practical Income Units	72.0	76.6	+0.1	2.15
Practical Accum. Units	132.7	141.2	+0.2	2.15

PK English Trust Group Plc
4, Fore Street, London, EC2 01-920 9120

PK English Tst Gth	147.0	156.5	—	2.4
PK English Tst Inc	116.8	124.7	—	4.4
Train South Am Gth Fd*	48.7	51.4	—	—

Dealing Day: Wed. *Dealing day: Thurs.

Pearl Trust Managers Ltd (a)(g)
252 High Holborn, WC1V 7EB 01-405 8441

Pearl Growth Fd.	109.5	116.5	+0.3	2.02
Accum Units	166.8	177.4	+0.4	2.02
Pearl Inc.	155.0	164.9	+0.7	3.08
Pearl Unit Tst.	159.2	169.4	+0.3	2.39
(Accum. Units)	278.9	296.7	+0.6	2.39
Pearl Intl Equity	147.9	157.3	-0.8	1.34
(Accum Units)	149.2	158.7	-0.3	1.34

Pembroke Administration Ltd
18-19 Sandland St, London WC1R 4PZ 0227 454848

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	303.1	323.5	+0.3	0.97
Income	234.6	249.9	+1.0	3.59
Worldwide Recovery	167.5	178.6	+0.8	1.64
American Growth	73.3	78.5	-0.1	0.90
Intl. Emerging Cos.	91.9	98.2		0.71
Far East Growth Fd.	100.1	106.9	+1.4	0.75
European Growth Fd	64.7	69.1	-0.3	1.04

Prolific Unit Trust Managers Limited.
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc	56.4	60.1	-0.9	3.91
Prolific C'vert & Gilt	119.5	127.2	+0.2	4.58
Prolific Euro Gth&In	50.8	54.1	-0.1	2.58
Prolific Extra Inc	119.9	127.6	+0.8	3.99
Prolific Far East	209.3	223.9	+4.1	—
Prolific High Inc	82.5	86.9	+0.3	3.15
Prolific Intl.	145.3	154.6	-0.5	0.25
Prolific N. Amer.	126.5	135.3	-0.8	—
Prolific Spec. Sits	98.7	105.1	+0.3	0.75
Prolific Technology	140.7	150.5	-0.6	—

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc	100.0	106.4	+2.0	—
Japan Acc	100.2	106.6	+2.0	—
Worldwide Inc.	77.4	82.0	-0.1	1.091
Worldwide Acc.	78.9	83.5	—	1.091
European Tst Inc	95.9	99.9	-1.0	0.341
European Tst Acc.	94.4	100.5	-1.0	0.341
North American Inc	61.5	65.5	-0.8	1.921
North American Acc.	62.4	66.4	-0.7	1.921
UK Equity Inc	82.5	87.4	-0.4	1.891
UK Equity Acc	86.2	91.3	-0.4	1.891
UK High Inc Eqty Inc	61.3	64.9	+0.2	4.70%
UK High Inc Eqty Acc	62.4	66.1	+0.1	4.70%
Hong Kong Trust	44.5	47.1	+0.1	0.38%
Small Equities Trust	45.3	48.0	+0.2	1.91%

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	101.4	107.9	+0.7	0.67
PM Income and Growth	90.2	96.0	+0.5	3.35
PM N American Growth	50.8	54.0	-0.7	0.38
PM European Growth	47.7	50.7	-0.4	0.62
PM Japan Growth	64.9	69.0	+0.2	0.39
PM Overseas Growth	50.4	53.6	-0.5	0.47

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn Linkline 0800 010345

Holborn Comm Tst.	67.5	71.4	-0.2	0.43
Holborn Equity Income	62.5	66.1	+0.1	3.89
Holborn Equity Tst	513.0	542.8	+2.5	2.49
Holborn European Tst	113.3	119.8	-0.6	0.69
Holborn Gilt Tst.	213.3	222.1	+1.9	2.34
Holborn High Inc Tst	78.9	83.4	-0.1	5.17
Holborn Intl Grth Tst	111.9	118.4	-0.3	0.74
Holborn Japanese Tst	125.9	133.2	+2.2	0.04
Holborn N. Amer. Tst	87.3	92.3	-0.4	0.52
Holborn Sm Cos Tst	65.9	69.7	+0.3	1.67
Holborn Spec Sits. Tst	87.2	92.2	+0.5	1.58
Holborn UK Growth Tst	102.6	108.5	+0.2	1.73

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	570.9	604.1	+19.6	1.81
Quadrant Income	306.2	324.1	+10.8	3.56
Quadrant Intl. Fund	416.7	441.0	-9.3	1.14
Quadrant Spec. Sits	369.1	390.6	+11.3	2.08

Reliance Unit Mgrs. Ltd
Reliance House, Tonbridge Wells, Kent 0892 510033

British Life	215.5	229.1	+0.3	2.59
Reliance Unit Tst (Inc)	141.1	150.0	+0.3	2.05
Reliance Ut Tst (Acc)	189.8	201.9	+0.4	2.05

Rensburg Fund Managers
Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	—			—

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-280 5456

NC America (Inc)	299.0	318.0	+0.2	0.90
NC America (Acc)	326.4	347.2	+0.2	0.90
NC Inc Fd.	106.9	113.7	—	3.57
NC Japan Fd.	209.3	222.6	+3.9	—
NC Major UK Cos Fd.	64.3	68.4	—	1.91
NC Smllr Australasian	76.9	81.8	+0.3	0.89
NC Smaller Cos	190.5	202.6	+1.1	1.32
NC Smaller European	197.1	209.6	+0.6	0.49
NC Prop.*	155.1	169.5	—	—

*Unauthorised Unit Trusts

Rowan Unit Trust Mngt. (a)
33, King William St, London EC4R 9AS 01-638 5678

American April 28	237.0	241.0	—	1.25
Securities April 28	883.5	898.5	—	2.19
High Yield April 28	215.0	218.5	—	5.50
Merlin April 28	523.0	531.0	—	3.09
Fixed Inst April 28	180.5	181.5	—	2.20
High Interest April 28	124.0	125.0	—	11.88
Far East April 28	277.5	281.5	—	0.05
Colmeco April 28	536.9	547.1	—	3.25
(Accum Units)	912.0	929.3	—	3.25

Royal Bank of Canada Fds.
RBC Trust Managers Limited.
1, London Wall, London EC2Y 5JX. 01-600 6222

RBC Select Gwth Acc	69.9	74.4	-0.2	0.00
RBC Select Income	64.7	68.8	-0.1	—
RBC Select Inc Acc	66.1	70.3	-0.1	—
RBC Select N. American	47.2	50.2	—	—
RBC Slect Intnl.	49.2	52.3	+0.1	—

Royal Life Fd Mgmt Ltd
PO Box 34, Peterborough PE2 0UE. 0733 230000

Equity Trust	76.5	80.9	—	2.32
International Trust	84.2	89.0	+0.1	1.27
United States Trust	35.0	37.0	-0.4	1.43
Pacific Basin	54.3	57.4	+1.0	0.28
Gilt Trust	28.1	29.5	+0.2	7.79
Equity Gwth Accum	227.0	240.3	+0.2	1.32
Equity Gwth Dist.	160.7	170.1	+0.1	1.32
High Inc Accum	137.8	145.9	+0.3	3.30
High Inc Dist.	115.1	121.4	+0.3	3.30
US Gwth Accum	60.8	64.4	-0.6	1.12
US Gwth Dist	59.4	62.9	-0.5	1.12

Royal London Unit Tst Mgrs Ltd
Royal Ldn Hse, Colchester CO1 1RA 0206 576115

American Gwth	88.8	94.5	-0.7	0.75
Gilt Income	60.6	63.8	+0.5	8.11
High Income	103.5	110.2	+0.4	3.74
Income & Growth	123.3	131.2	+0.1	3.38
Intl. Income	60.6	64.5	-0.1	4.65
Japan Growth	128.5	136.8	+2.8	0.03
Special Sits	155.1	165.1	+0.3	0.91
UK Growth	57.9	61.6	-0.1	1.45

Royal Trust Fund Management Ltd
3, Finsbury Sq., EC2A 1RT 0-638 2433
Unit Dealing 01-638 2591

Capital Fund Mar 31	310.0	330.2	—	1.35
Capital Growth (z)	78.7	84.6	+0.8	1.17
(Accum Units)	90.3	97.0	+0.8	1.17
Equity Income Fund (z)	101.8	109.4	—	3.56
(Accum Units)	244.5	262.9	—	3.56
Finance & Property (z)	99.9	107.4	-0.6	2.60
High Yield (z)	98.2	105.5	+0.7	5.55
(Accum Units)	268.2	288.3	+1.7	5.55
Income Fund Mar 31	240.3	256.6	—	4.27
International (z)	91.7	98.5	-1.0	1.00
(Accum Units) (z)	94.1	101.1	-1.0	1.00
Intnl. Exempt* Mar 31	32.40	32.98	—	2.71
Northgate	255.5	268.9	—	2.30
Preference (z)	31.2	33.5	—	8.89
Fixed & Convert. Fund	54.3	58.3	+0.5	5.90
(Accum Units)	95.6	102.7	+0.8	5.90
Pacific Basin Fd (z)	168.7	181.3	+1.5	0.31
(Accum Units)	85.5	91.9	+0.7	0.31
Small Companies Fd (z)	90.4	97.1	+0.9	0.86
(Accum Units)	98.5	105.9	+0.9	0.86
Prestige Portfolio				
Europe (z)	119.7	124.0	+0.1	—
Hong Kong (z)	47.4	49.1	-1.0	0.10
Japan (z)	119.8	124.1	-0.7	—
UK (z)	102.0	105.6	+0.4	1.07
US (z)	70.8	73.3	-1.7	1.07
Canada (z)	51.0	52.8	-0.8	0.10
Commodities (z)	55.1	57.0	—	0.10
Gold (z)	64.3	66.6	+1.6	0.10
Singapore & Malays (z)	50.5	52.3	-1.0	0.10

*Unauthorised

SIM Unit Trust Management Ltd
Enterprise House, Portsmouth 0705 827733

American	137.1	145.8	—	0.75
Australian	109.1	116.6	—	0.81
European	124.4	132.3	—	1.01
O'seas Smaller Co's	49.1	52.2	-0.3	0.46
Pens & Charity	742.2	789.6	—	3.00
Recovery	1040.2	1106.5	+51.5	2.37
UK Equity	130.8	139.1	—	2.42
UK Small Comps Ex Fd	101.8	108.2	+0.5	1.50

SKG Management Limited
20 Copthall Ave, London EC2R 7JS 01-600 7595

Inc & Gwth in Rtmnt	208.1	221.4	—	4.77
Do. Accum	219.5	233.5	—	4.77

Save & Prosper Group
28 Western Rd, Romford RM1 3LB
Capital Hse, 2 Festival Sq., Edinburgh EH3 9SX (Romford) 0708 66966 or (Edin.) 031-228 4300

Amer Inc & Gwth Fd (z)	63.0	67.0	-0.9	7.40
Capital	120.9	128.6	+0.6	1.09
Commodity	83.8	89.1	+1.6	0.21
Energy Inds	57.4	61.0	-0.5	2.66
European (z)	122.1	129.8	-0.1	1.91
Euro Inc & Gwth (z)	56.4	60.0	-0.1	4.50
Exempt Income	105.7	110.7	+0.2	4.04
Exempt Intl	73.2	76.7	+1.0	2.25
Exploration Fund (z)	98.3	104.5	+1.2	0.0
Financial Secs.	114.5	121.8		2.10
Gilt & Fxd Int Inc.	54.9	57.5	+0.3	10.47
High Return	239.4	254.6	+0.4	3.54
High-Yield	211.1	224.5	+0.2	3.61
Income	118.3	125.8	+0.3	4.55
Intl Bond Fd (z)	127.8	135.2	+0.4	2.91
ITU	106.4	113.1	+0.2	2.28
Japan (z)	115.1	122.4	+0.1	0.00
Japan Smaller (z)	121.4	129.1	+0.2	0.00
Masterfund	35.2	37.4	—	2.33
New Technology (z)	104.5	111.1	—	0.00
Scotbits	157.6	167.6	-0.2	2.51
Scotshares	195.3	207.7	+0.1	2.47
Scotyields	198.5	211.1	+0.1	3.65
Select International	95.8	101.9	+0.5	1.40
Smaller Cos Inc Fd.	217.5	231.3	+0.3	3.47
SE Asia (z)	147.6	157.0	+1.9	1.47
Special Situation Fd.	138.6	147.4	+0.6	1.08
UK Equity	231.7	246.4	—	2.46
U.S. (z)	74.4	79.1	-0.5	1.29
Univ Growth	105.6	112.3	+0.5	1.37

Scimitar Asset Management Ltd
8 Crosby Sq., London, EC3A 6AQ 01-588 6995/4/5

Scimitar Global Gth Ac	32.9	35.0	—	0.30
Do. Income	92.9	95.8	—	0.30
Scimitar European Acc.	27.3	29.1	—	0.16
Do. Income	27.2	29.0	—	0.16
Scimitar UK Eq Inc Acc.	34.4	36.3	—	4.32
Do. Income	33.5	35.3	—	4.32
UK Cap Gwth Tst Acc.	25.8	27.2	—	0.90
Scimitar Pac Basin Acc	28.6	30.5	—	—
Scimitar Mngd Exempt*	148.0	154.2	—	1.97

*Unauthorised

Scottish Equitable Fund Mgrs. Ltd(z)
28 St Andrews Sq, Edinburgh 031-556 9101

Intnl Income Units	152.4	162.1	-0.9	2.52
Intnl Accum Units	230.9	245.6	-1.4	2.52
UK General	41.6	44.5	-0.1	2.92
American	31.3	33.5	-0.4	0.62
European	41.7	44.6	-0.2	1.26
Japan	61.6	65.9	+1.1	0.03
Technology	39.2	41.9	-0.1	1.28

Scottish Life Investments(z)
19 St Andrew Sq, Edinburgh 031-225 2211

UK Equity	232.5	248.7	-0.9	1.41
American	151.0	161.6	-1.2	1.27
Pacific	244.5	261.6	+4.1	0.04
European	264.1	282.5	-0.5	0.51

Scottish Mutual Investment Managers Ltd
109 St Vincent St, Glasgow G2 5HN 041-248 6100

European	207.1	220.4	-1.0	1.26
Gilts & Fixed Int.	126.8	134.9	+1.2	7.53
International Growth	121.2	129.0	-0.1	1.27
North American	125.0	133.0	-1.3	1.39
Pacific	222.4	236.6	+4.3	0.21
UK Equity	221.0	235.2	+2.3	2.11
UK Smllr. Cos. Equity	204.7	217.8	+0.4	1.65

Scottish Provident Inv. Mgt. Ltd
6 St Andrew Sq, Edinburgh 2 031-556 9181

Equity Acc.	238.5	253.7	+0.7	1.75
International Acc.	215.6	230.4	+0.8	1.15
Gilt & Fxd Int Acc	136.6	140.1	+0.9	7.80
Index-Lkd Secs Acc.	112.8	120.7	+0.6	2.10

Scottish Unit Managers
48 Melville Street, Edinburgh EH3 7HF 031-226 4372

Pacific Fund (z)	83.1	88.3	+0.1	0.00
World Growth	43.4	46.1	-0.1	0.87
North American (z)	33.7	35.8	-0.5	0.04
Income Fund	57.5	61.1	+0.1	3.63
European (z)	45.9	48.4	-0.1	0.79
Nth American Inc (z)	26.6	28.3	-0.3	3.16
UK Growth	38.2	40.6	—	1.56

Scottish Widows' Fund Management
PO Box 902, Edinburgh EH16 5BU 031-668 3724

Peg Eq Acc	342.1	364.1	(z)	2.58
Peg Eq Inc	290.5	309.1	(z)	2.58
Peg High Inc Acc	157.8	168.0	(z)	4.58
Peg High Inc	150.7	160.4	(z)	4.58
Peg Europe Acc	150.0	159.6	(z)	1.34
Peg Europe Inc	148.8	158.4	(z)	1.34
Peg N Amer	105.2	112.0	(z)	1.39
Peg N Amer Inc	103.8	115.0	(z)	1.37
Peg Pacific Acc	226.1	240.6	+3.6	—
Peg Global Acc	140.7	149.8	+1.1	1.44
Peg Global Inc	139.3	148.3	+1.0	1.44

Sentinel Funds Mngmt Ltd
30 City Road, London EC1Y 2AY 01-638 6011
Dealing: 01-628 6626

American Majors	70.4	75.0	-1.2	—
Amer Tech & Genl Fd	114.9	122.4	-1.0	—
European Growth	45.9	48.4	—	—
European Income	57.2	60.9	-1.4	—
European Special Sits	27.3	29.0	+0.6	—
Exempt	812.0	851.9	+1.1	—
Far East Emerg Econs	25.7	27.4	+0.9	—
Intnl Growth Fd	51.5	54.9	+0.5	—
International Income	63.7	67.8	—	—
Jap Tech & Genl	134.5	143.2	+3.0	—
Pacific Fund	241.4	257.1	+5.8	—
Secure Income Fd.	216.6	230.7	+0.1	—
Small Co's Fd	60.9	64.9	+0.2	—
Special Sits	306.0	325.9	+2.9	—
UK General Fund	47.7	50.8	+0.1	—
UK Top 100 Managed Fd	24.5	26.1	+0.1	—

Smith & Williamson Unit Trust Mngrs
1 Riding House St, London W1A 3AS. 01-637 5377

S & W American	168.2	167.5	—	0.56
S & W Smaller Secs.	215.9	228.3	—	0.01

Standard Life Trust Mgmt. Ltd
3 George St, Edinburgh EH2 2XZ 0800 393777

Managed Trust Acc.	28.8	30.7	-0.1	1.71
UK Equity Gth Tst Acc.	32.7	34.8	—	2.44
UK Equity High Inc Inc	31.6	33.6	—	4.10
UK Equity Gen Tst Acc.	35.2	37.5	—	2.27
UK Equity Gen Tst Inc	31.1	33.1	-0.1	2.27
Gilt & Fxd Int Tst Inc	27.0	28.5	+0.2	6.80
Nrth Amer Tst Acc.	27.4	29.2	+0.1	1.04
Far East Trust Acc.	41.5	44.1	+0.7	0.00
European Trust Acc.	28.0	29.8	-0.1	1.23

Stewart Ivory Unit Trust Mgrs Ltd (a)
45 Charlotte Sq, Edinburgh 031-226 3271

American Fund	215.4	230.1	—	1.02
(Accum. Units)	243.4	260.0	—	1.02
(Withdrawal Units)	143.7	153.5	—	1.02
American Exempt May 1	328.68	341.46	—	1.78
Australian Fund	176.1	187.6	—	0.59
(Accum. Units)	179.1	190.8	—	0.59
British Fund	810.2	862.9	—	3.76
(Accum. Units)	1121.3	1194.2	—	3.76
European Fund	335.4	357.3	—	0.40
(Accum. Units)	353.8	376.9	—	0.40
Japan Fund	71.5	76.1	—	0.20
(Accum. Units)	72.0	76.6	—	0.20
Saints PPP (April 30)	198.0	207.9	—	—

Sun Alliance Fund Management Ltd
Sun Alliance House, Horsham 0403 56293

Equity Tst	497.2	526.1	-0.3	2.29
North America	59.0	62.7	-0.9	1.03
Far East	108.9	115.8	+1.8	0.00
Worldwide Bond	48.8	52.1	-0.2	6.60
European	55.4	58.9	-0.6	1.92
Equity Income	65.1	69.6	+0.7	3.79

Sun Life of Canada Unit Mgrs Ltd
2, 3 & 4 Cockspur St, SW1Y 5BH 01-930 2602

UK Income Fund	33.3	35.4	—	3.15
UK Growth Fund	31.4	33.4	—	1.53
Worldwide Growth Fd.	24.9	26.4	-0.1	1.42

Sun Life Trust Mgmt. Ltd
101, Cannon St, London EC4N 5AD 01-606 6010

Master Portfolio	31.9	33.9	+0.1	0.0
American Growth Acc.	35.0	37.2	-0.4	1.0
American Income Acc.	32.5	34.5	-0.4	5.0
American Income Inc.	31.4	33.3	-0.4	5.0
European Growth Acc.	56.8	60.4	-0.5	0.0
European Income Acc	28.3	30.0		3.25
European Income Inc.	27.8	29.5		3.25
Far East Growth Acc.	73.1	77.7	+1.2	0.40
Int. Growth Acc.	45.3	48.1		1.5
Japan Growth Acc.	90.3	96.0	+1.4	0.0
UK Growth Acc.	47.5	50.5		2.7
UK Income Acc.	46.0	48.9	+0.3	5.0
UK Income Inc.	43.0	45.7	+0.3	5.0
Managed Growth Acc.	65.4	69.5	+0.4	2.0
Managed High Yield Inc	65.8	69.9		4.3
Managed Income Inc	50.7	53.9	+0.2	4.3

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	363.2	366.3	—	3.02
Equity Acc.*	424.7	449.4	—	3.02
Fixed Int. Dist.†	128.2	132.8	—	9.42
Fixed Int. Acc.†	202.6	209.9	—	9.42

*Prices on May 1. Next dealing May 13.
†Prices on May 1. Next dealing May 6.

Waverley Asset Management Ltd (a) (c) (g)
13 Charlotte Sq, Edinburgh 031-225 1551

Australasian Gold	54.9	58.3	—	0.15
Pacific Basin	26.8	28.5	—	1.70
Canadian Balncd Grwth	63.3	67.3	—	0.00
Cabot Mar	99.8	104.0	—	8.00

Wellington Fund Mngrs Ltd
145, Borough High St., London SE1 1NY 01-628 6011

Wellington Inc	96.3	102.5	—	3.51
Wellington Growth	185.4	197.2	—	1.38

WestAvon Unit Trust Managers Ltd(a)(b)(c)(z)
27 Princess Victoria St, Bristol BS8 4BX 0272 732241

British Smllr Co's	90.3	96.0	+0.3	1.1
British Growth	96.4	102.4	+0.2	1.3
British Income	83.2	88.4	+0.2	4.0
British Extra Yield	59.2	62.9	+0.3	6.9

Whittingdale Unit Trust Managers
2 Honey Lane, London EC2V 8BT 01-606 9085/6

Challenger Fund	51.3	51.6	+0.3	2.00
Short Dtd Gilt Fd	72.9	74.1	+0.1	0.6
U.S. Govmnt Bond Fd	50.519	0.521	-0.001	—

Windsor Trust Mngrs Ltd
83 Kingsway, London, WC2B 6SD 01-405 8331

Country & Equity Tst	64.7	68.9	+0.3	5.64
Growth Trust	80.9	86.1	+0.3	1.37
Income Trust	76.6	81.5	+0.1	3.52

Wright Seligman Fund Managers Ltd
11 Blomfield St, London EC2M 7AY 01-588 0592

Growth Fund	85.5	88.5	+1.2	2.37

Weekly dealing day Tuesday

The Yorkshire General Trust
Woodsome Pk, Fenay Bdge, Huddersfield 0484 602250

Y.G.T.	171.8	182.8	+0.8	2.28

INSURANCES

AA Friendly Society
(Investment Mngt M & G Inv Mngr Ltd)
PO Box 93 Cardiff CF1 4NW 0222 35542

AA Friendly Sy Apr 10	—	126.6	—

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Prop. Ser. 1	208.2	219.2	—
Equity Ser. 1	129.4	136.3	—
Prop. Acc. Ser 2	290.4	305.7	—
Equity Ser 2	140.5	143.9	—
Selective Acc.	274.9	289.4	—
Prop. Ser 4	228.2	240.3	—
Equity Ser. 4	138.0	145.3	—
Fixed Int. Ser. 4	193.9	204.2	—
Indexed Inv. Ser. 4	117.3	123.6	—
American Ser. 4	269.7	283.9	—
High Inc. Ser. 4	353.7	372.4	—
Japan Ser 4	258.4	272.0	—
Man. Ser. 4	388.9	408.9	—
Money Ser. 4	203.7	214.5	—
European Ser 4	117.9	124.2	—
Pension Funds			
Property	377.5	397.4	—
Equity	996.8	1049.3	—
Selective	292.9	308.4	—
Managed	713.4	751.0	—
Security	359.3	378.5	—
Fixed Inc.	210.9	222.0	—
European	188.2	198.2	—
American	228.7	240.8	—
Japan	285.8	300.9	—

Aetna Life Insurance Co Ltd
401 St John St, London EC1V 4QE 01-833 2303
Life Funds (Accumulator Units)

Squirrel	11.06	11.65	-0.09	—
Bear	12.57	13.24	-0.05	—
Owl	15.06	15.86	-0.03	—
Bull	13.87	14.60	-0.14	—
Stag	13.70	14.43	+0.08	—
Gilt-Edged		12.11	+0.01	—
Deposit		10.12	+0.01	—
North American	9.81	10.33	+0.01	—
European	9.30	9.79	-0.05	—
Property	10.90	11.58	+0.06	—
Index Linked	9.80	10.32	+0.05	—
Far Eastern	10.33	10.88	+0.04	—
UK Equity	11.72	12.34	-0.05	—
Fixed Interest	10.17	10.71	-0.14	—
Pension Funds (Accumulator Units)				
Squirrel	12.08	12.72	+0.01	—
Bear	14.47	15.24	-0.14	—
Owl	17.99	18.94	-0.11	—
Bull	16.12	16.97	-0.05	—
Stag	16.00	16.85	-0.24	—
Gilt-Edged		12.53	+0.09	—
Deposit		10.54	+0.03	—
North American	9.88	10.40	+0.02	—
European	9.30	9.79	-0.05	—
Property	11.46	12.07	+0.11	—
Index Linked	9.89	10.42	+0.06	—
Far Eastern	10.68	11.25	+0.07	—
UK Equity	12.59	13.26	-0.07	—
Fixed Interest	10.45	11.00	-0.20	—

Contd. on next Page

FT UNIT TRUST INFORMATION SERVICE

M & G Group—Contd.

Pensions Funds

American (Cap)	305.5	320.9		
American (Acc)	425.8	447.2		
Building Soc (Cap)	94.2	99.0		
Building Soc (Acc)	131.2	137.9		
Deposit (Cap)	154.3	162.1		—
Deposit (Acc)	215.0	225.9		—
European (Cap)	139.8	146.9		—
European (Acc)	194.9	204.7		—
Equity (Cap)	405.0	426.0		—
Equity (Acc)	564.9	593.2		—
Gilt (Cap)	248.6	261.1		—
Gilt (Acc)	346.4	363.8		—
Gold (Cap)	110.5	116.1		—
Gold (Acc)	154.0	161.8		—
Index-Linked (Cap)	93.1	97.8		—
Index-Lnkd Gilt (Acc)	129.7	136.3		—
International (Cap)	107.9	113.4		—
International (Acc)	150.4	158.0		—
Intnl Inc (Cap)	104.1	109.4		—
Intl Inc (Acc)	145.0	152.4		—
Japan (Cap)	143.5	150.7		—
Japan (Acc)	199.9	210.0		—
Managed (Cap)	312.2	327.9		—
Managed (Acc)	435.1	457.0		—
PPP Fund (Cap)	298.0	313.0		—
PPP Fund (Acc)	415.6	436.0		—
Pacific (Cap)	253.9	266.7		—
Pacific (Acc)	353.9	371.7		—
Property (Cap)	132.1	138.9		—
Property (Acc)	184.2	193.5		—
Recovery (Cap)	197.8	207.8		—
Recovery (Acc)	275.7	289.6		—
UK Income (Cap)	112.8	118.5		—
UK Income (Acc)	157.2	165.1		—
Personal Pension (Acc)	1665.2	1665.2		—

MGM Assurance

MGM House, Heene Rd, Worthing 0903 204631

UK Equity	218.6	230.2	+0.1	—
Do. Accum	244.5	257.4	+0.1	—
Special Situations	200.3	210.9	+0.8	—
Do. Accum	224.2	236.1	+1.3	—
North American	171.5	180.6	-2.5	—
Do. Accum	192.0	202.2	-2.5	—
Pacific Basin	315.6	332.3	+3.5	—
Do. Accum	353.3	371.9	+4.3	—
Fixed Interest	218.4	229.9	+1.4	—
Do. Accum	244.2	257.1	+1.6	—

National Mutual Life

5 Bow Churchyard, London EC4M 9DH 01-236 1566

Managed Fund	187.0	196.9		—
Managed Prospect Fund	146.4	154.2		—
UK Equity Fd	221.0	232.7		—
Fixed Interest	152.2	160.3		—
Pacific	181.4	191.0		—
North American	114.3	120.4		—
Pens. Managed	219.2	230.8		—
Pens. UK Equity	262.7	276.6		—
Pens. Overseas Equity	284.0	299.0		—
Pens. Property	117.2	123.4		—
Pens. Fixed Interest	160.7	169.2		—
Pens. Index Linked	119.8	126.2		—
Pens. Deposit	143.1	150.7		—
P.R.P. UK Equity	113.6	119.6		—
P.R.P. Overseas Equity	100.5	105.8		—
P.R.P. Fixed Interest	108.6	114.4		—
P.R.P. Property	96.4	101.5		—
P.R.P. Index Linked	107.7	113.4		—
P.R.P. Deposit	98.2	103.4		—
P.R.P. Managed	109.2	115.0		—
P.R.P. With Profits	98.6	103.8		—

National Mutual of Australasia

Serpentine Rd, Poole, Dorset 0202 680666

Fixed Interest	135.17	142.28		—
Guaranteed Deposit	118.04	124.25		—
Managed	148.12	155.91		—
Property	135.42	142.54		—
UK Equities	181.95	195.52		—
Pens Fixed Interest	126.92	133.59		—
Pens Grtd Deposit	118.75	124.99		—
Pens International	192.18	202.29		—
Pens Managed	158.26	166.58		—
Pens Property	150.45	158.36		—
Pens UK Equities	160.35	168.78		—
International	176.33	185.61		—
Nth American Fund	145.42	153.07		—
Far East Pacific Fd	163.27	172.38		—
Japan Fund	244.20	257.05		—
European Fund	200.66	211.22		—

National Provident Institution

48 Gracechurch St, London EC3P 3HH 01-623 4200

Managed	290.1	305.4	+0.3	—
UK Equity	374.4	394.2	-0.1	—
Overseas Eq.	278.6	293.3	-0.9	—
Americas	229.9	242.1	-1.3	—
Far East	327.9	345.2	+0.9	—

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1987 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100	99	Funding 6½pc 85-87	99		—	—
100	99	Treas 10pc 1987	100		10.00	9.45
99	97	Treas 3pc 1987	99		3.02	6.69
101	100	Treas. 12pc 1987	101		11.79	8.16
99	97	Treas 7¾pc 1985-88‡‡	99		7.77	8.18
102	99	Exch 10½pc '88	102		10.28	8.24
101	98	Treas 9¼pc Cv '88	101		9.61	8.28
96	93	Transport 3pc '78-88	96		3.11	6.24
101	98	Treas. 9½pc '88	101		9.37	8.41
105	101	Treas 11½pc 1989	105		10.96	8.44
101	97	Treas 9½pc Cm 1989	101		9.33	8.44
93	89	Treas 3pc 1989	93		3.19	6.19
103	99	Treas 10½pc 1989	103		10.12	8.52
103	98	Exch.10pc 1989	103		9.71	8.49
105	100	Exch 11pc 1989	105		10.45	8.50
95	89	Treas 5pc 1986-89	95		5.26	7.25
107	100	Exch 10¼pcCv '89	107		9.58	7.15
110	105	Treas 13pc 1990‡‡	110		11.75	8.46
106	100	Exch 11pc 1990‡‡	106		10.37	8.46
109	104	Exch. 12½pc 1990	109		11.37	8.50
90	84	Treas. 3pc 1990	90		3.32	6.59
99	93	Treas 8¼pc 1987-90‡‡	99		8.29	8.43
104	97	Treas. 10pcCv 1990	104		9.57	8.47
88	81	Exch 2½pc 1990	88		2.83	6.21
109	103	Treas 11¾pc 1991	109		10.70	8.58
94	87	Funding 5¾pc '87-91‡‡	94		6.11	7.50
87	80	Treas. 3pc 1991	87		3.43	6.58
109	100	Treas 10pc Cv '91 ‡‡	109		9.16	7.40
108	101	Exch. 11pc 1991	108		10.11	8.57
116	108	Treas 12¾pc 1992‡‡	115		11.03	8.58
105	97	Treas 10pc 1992	105		9.48	8.58

Five to Fifteen Years

1987 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
107	99	Treas 10½pc Cv 1992‡‡	107		9.77	8.62
115	106	Exch. 12¼pc '92	114		10.66	8.68
120	111	Exch 13½pc 1992	119		11.24	8.72
106	97	Treas 10pc 1993‡‡	106		9.42	8.63
117	108	Treas 12½pc 1993‡‡	117		10.63	8.75
93	82	Funding 6pc 1993‡‡	93		6.45	7.37
124	114	Treas 13¾pc 1993‡‡	124		11.07	8.79

BRITISH FUNDS—Contd

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

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Financial

FOREIGN BONDS & RAILS

FOREIGN BONDS & RAILS—Contd

AMERICANS

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
30	24⅝	Sara Lee $1	25 xd	+ ¼	$2.00	—	4.9
11	10	Saul (B. F.) $1	10	−	20c	—	1.2
79	62⅝	Southwestern Bell $1	64⅞	+ ⅛	$6.96	—	6.6
17⅝	15¼	Staley Continental	15¼	− ½	80c	—	3.2
44	36⅝	Sun Co. Inc. $1	36⅝ xd	....	$3.00	—	5.0
74	59¾	TRW Inc $1¼	59¾ xd	− 2⅞	$3.20	—	3.3
31	26¾	Tenneco $5	26	− ¼	$3.04	—	7.0
187½	152	Do. 10pc Ln.Stk. 91-5	177½ xd	....	10%	—	5.7
26¼	17	Texaco $6.25	20⅛ xd	− ¼	$3.00	—	9.1
57¼	47	Time Inc. $1	51⅝	− ⅞	$1.00	—	1.2
14½	12	Tracor $0.33	12⅞	− ⅛	36c	—	1.8
24⅝	19¼	Transamerica $1	19¼ xd	− ½	$1.76	—	5.5
11	967p	Transworld Corp $5	993p	− 4	20c	—	1.2
42¼	29¼	TRINOVA Corp.	38⅞	+	b$1.00	—	1.6
18¼	15	♥USX $1	17¼	+ ¼	$1.20	—	4.3
18½	15	Union Carbide $1	17⅞ xd	−	$1.50	—	5.1
35	26⅞	Utd. Technologies	27	+	$1.40	—	3.1
38⅝	29½	US West‖	29½	− ½	$3.28	—	6.8
33	28	♥Woolworth $3½	28	− 1	$1.32	—	2.8

CANADIANS

1987 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
23p	16p	♯Abbot Energy Corp.	16p	....	—	—	—
21	10½	♥Amer. Barrick Res.	18¾	− ¼	—	—	—
83p	36p	Armeno	75p	+ 1	—	—	—
19⅝	15⅛	Bk. Montreal ‖	15⅛	− ½	$2.00	—	5.7
10½	792p	Bk. Nova Scot.‖	792p	− 50	72c	—	3.9
20⅝	18¼	BCE ‖	18¼	− ⅓	$2.40	—	5.7
960p	712p	♥Bow Valley‖	775p	− 22	10c	—	0.6
19¼	12¼	♥Brascan‖	15⅛	− ⅝	88c	—	2.5
609p	279p	♥Breakwater Res.	495p	+ 35	—	—	—
11⅝	935p	Can.Imp. Bk. $2	935p xd	− 38	$1.08	—	5.0
12	929p	Can. Pacific ‖	10½	− ¼	48c	—	2.0
42½	37½	Do. 4pc Deb £100	42½	....	4%	—	9.4
27½	16⅛	♥Echo Bay Mines	25¼	+	20c	—	0.3
148p	66p	Euro-Asia Capital Ltd.	128p	− 2	—	—	—
69p	32p	Global Data Systems	39½p	+ 3½	—	—	—
873p	408p	♥Granges Expl.‖	748p	− 16	—	—	—
17½p	10p	♥Gt Pacific Res.	16p	....	—	—	—
14⅛	781p	♥Gulf Canada‖	12⅞	....	52c	—	1.8
13¼	10	♥Hawker Sid Can‖	12⅛	− ¼	96c	—	3.4
740p	556p	Henlys Group	572p	− 34	—	—	—
14⅛	11⅛	Hudson's Bay ‖	11⅛	− ¼	60c	—	2.3
34½	25¼	♥Imperial Oil‖	28	− 1	$1.60	—	2.5
10⅞	824p	Inco‖	990p xd	+ 13	US$0.20	—	1.2
25⅛	14¼	♥Intl. Corona Res.	21	+ ⅞	—	—	—
676p	575p	♥Inland Nat. Gas $1	616p	− 13	60c	—	4.2
363p	171p	♥Muscocho Expln.	280p	− 6	—	—	—
10	748p	♥Nu-West Business Syst.‖	830p	− 6	—	—	—
12	990p	♥Rio Algom	990p	− 22½	65c	—	2.8
19⅛	15	Royal Bk. Can. ‖	15	− ½	$2.00	—	5.8
49½	41⅝	Seagram‖	42	− ¼	US$1.00	—	1.5
14⅞	11⅞	Toronto-Dom. Bk.‖	12¼	− ⅝	84c	—	3.0
10⅛	825p	♥Trans Can Pipe	825p	− 23	$1.12	—	5.9
184p	124p	Vanity Corp‖	125p	− 5	B	—	—

BANKS, HP & LEASING

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
281	219	ANZ $A1	245	+ 4	Q31c	2.4	5.4	7.8
£168	£147	Algemene Fl 100	£148 xd	+ 3	Q27%	♦	5.5	♦
273	230	Allied Irish	261	− 2	Q64.0%	3.6	5.6	6.2
70	56	Anglo Irish	65	....	Q15.69%	1.4	7.0	15.0
92	84	Ansbacher (H.) 1p	84	....	2.0	—	3.3	—
£40½	£33½	Banco de Bilbao S.A.	£34½	....	Q38%	3.0	2.7	12.2
£29½	£23½	Banco de Santander	£27½ xd	....	Q23.2%	♦	1.6	♦
253	193	Bank Ireland Ir£1	246	− 2	Q14.04%	2.7	5.2	9.8

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING—Continued

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Cont.

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

FINANCE, LAND—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

1987 High	1987 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
475	180	Abelscot Group 10p	395	....	3.2	—	1.1	—
35	28	Aberdeen Am Pet 10p	30	–1	—	—	—	—
125	110	Allied Ins. Brokers	123	....	L3.5	2.5	4.0	14.3
62	45	Catalyst Comm. 5p	60	–1	—	—	—	—
66	47	Corton Beach 10p	58	–3	—	—	—	28.8
195	102	Edensoring Investment	190	+5	—	—	—	—
63	31	Eglinton Oil Ir.5p	39	–4	—	—	—	—
41	17	Do. Warrants	26	–1	—	—	—	—
34	17	Publishing Hldgs.5p	34	....	—	—	—	19.7
58	45½	Theme Holdings	50xd	–1	1.0	ϕ	2.7	ϕ
138	111	Unit Group	113	....	R4.6	2.5	5.6	(8.1)

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	73	....	Fin. 13% 97/02	£115⅝	....
Craig & Rose £1	£26	–¼	Arnotts	373	....
Finlay Pkg. 5p	76	....	CPI Hldgs	57	....
Holt (Jos) 25p	940	+5	Carrol Inds.	123	....
IoM Stm £1	105	+5	Dublin Gas	18	
			Hall (R. & H.)	104	
IRISH			Heiton Hldgs.	27	–2
Fund 11½% 1988	£100⅝	....	Irish Ropes	145	–5
Nat. 9¾% 84/89	£98½	....	Unidare	347	–43

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	35	NEI	8
Amstrad	16	Nat West Bk	55
BAT	47	P & O Dfd	55
BOC Grp	42	Plessey	20
BSR	12	Polly Peck	20
BTP	30	Racal Elect	20
Babcock	19	RHM	30
Barclays	47	Rank Org Ord	55
Beecham	48	Reed Intnl	42
Blue Circle	62	STC	20
Boots	25	Sears	12
Bowaters	37	TI	55
Brit Aerospace	58	TSB	8
Brit. Telecom	20	Tesco	42
Burton Ord	23	Thorn EMI	50
Cadburys	22	Trust Houses	20
Charter Cons.	30	Turner Newall	24
Comm Union	29	Unilever	150
Courtaulds	35	Vickers	55
FNFC	20	Wellcome	50
Gen Accident	80	**Property**	
GEC	18	Brit Land	17
Glaxo	110	Land Securities	30
Grand Met	40	MEPC	32
GUS 'A'	100	Peachey	30
Guardian	85	**Oils**	
GKN	30	BOM	3½
Hanson Tst.	15	Brit Petroleum	60
Hawker Sidd	50	Burmah Oil	38
ICI	80	Charterhall	4
Jaguar	52	Premier	4
Ladbroke	40	Shell	75
Legal & Gen.	25	Tricentrol	11
Lex Service	35	Ultramar	17
Lloyds Bank	43	**Mines**	
Lucas Inds	55	Cons Gold	65
Marks & Spencer	18	Lonrho	24
Midland Bk	55	Rio T Zinc	65
Morgan Grenfell	35		

A selection of Options traded is given on the London Stock Exchange Report Page.

Equities quiet but Tap stock exhausted as Gilts surge ahead by one point

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 6	Apr 23	Apr 24	May 5
Apr 27	May 7	May 8	May 18
May 11	May 28	May 29	Jun 8

* New time dealings may take place from 9.00 am two business days earlier.

The UK securities markets returned from the May Day break in excellent form, with optimism growing in the City for another cut in domestic interest rates and an early re-election of the Thatcher Government.

The Government bond market moved up strongly from the opening, brushing aside the setback in US bonds which reflected rumours of an impending rise in Federal discount rate.

Equities were restrained by the absence of international buyers, who were discouraged by the fall in the dollar and the holiday closure in Tokyo, but steadied from early falls to end with very minor losses in thin trade.

The FT-SE 100 index opened firmly at a new peak, but soon subsided as it became clear that there was little support beneath it. The session was spent in minus territory, and at the close the FT-SE 100 was 3.4 lower on the day at 2065.1. At 1626.9, the FT ordinary closed unchanged.

The highlight of the bond market was the exhaustion of the tap stock, issued only last week. The tap ran out at 9.00 am at £31, against the partly-paid issue price of £30. The final trading price was a half point above the last level at which stock was supplied by the authorities, indicating the market's conviction that bond yields will continue to fall. Three-month inter-bank rates, down half a point since last week's reduction in bank base rates, made the same point.

Bonds closed at or near the day's best, encouraged afresh at mid-session by disclosure of a substantial increase in UK gold and currency reserves in April. Gains ranged to a full point at the long end.

At the official close, the Bank of England announced details of a £1bn 8 per cent tap stock due 1992, to be sold on May 13 by the first of its new-style auction sales.

With the Bank's permission, the market quickly opened when-issued dealings in the new stock, which traded at £48$\frac{1}{16}$, for a yield of about 8.475 per cent. Dealers had to guess the when-issued price, allowing for the £50 per cent call payable to the Bank on issue.

In the equity sector, trading interest was very thin. London guessed, correctly, that US investors would concentrate on their own domestic, and highly active, stock market. While the latest opinion polls gave favourable report on the British Government's election prospects, the market was clearly waiting for an announcement of the election date.

The dollar's weakness took the heart out of the major blue chip issues. Oil stocks rallied after a dull start, and chemicals had few features.

London-registered shares in Reuters followed the downward trend, although reports that plans for conversion of the A shares to tradeable B shares had been blocked could be a plus factor for the stock.

A weekend Press report that Sun Life may be contemplating a friendly merger with the Pearl in order to stave off 25.7 per cent shareholder Transatlantic Insurance, which is campaigning for three seats on the board at the forthcoming annual meeting on May 13, prompted swift denials from both parties yesterday. Nevertheless, it induced considerable speculative interest in both Sun Life and Pearl.

Sun Life, which have been a rising market of late amid speculation about a possible offer from the cash-rich TSB, moved up smartly to touch £11⅞ before closing ⅛ dearer at £11$\frac{13}{16}$, while **Pearl** reacted from the day's high of 369p to finish 5 dearer on balance at 365p.

Not all the exporting blue chips were inhibited by the upswing in the pound. **Imperial Chemical Industries**, with its trading fortunes more closely tied to the German mark than to the US dollar, held stteady, closing unchanged at £13½, helped by recommendations from two major London brokers.

Clients at Robert Fleming were told that Shaw Bridges, chemical analyst, has upgraded his forecast for ICI's 1987 earnings to £1,350m in the light of the glittering results reported for the first quarter. And at Kleinwort Grieveson, Christopher Marsay also raised his ICI profit forecast lastt week—to £1,330m. Last year ICI earned just over £1bn pre-tax.

Mining shares rose strongly as precious metals responded to the latest fall in the dollar. **RTZ** surged higher on rumours of a bid from Robert Holmes a Court's Bell Group. South African Golds posted widespread gains ahead of the general election in the Republic.

Lloyd's Broker **Minet Holdings** was outstanding recording a sharp gain of 15 at 287p, after 291p, following news of the better-than-expected 20 per cent profits increase to £36.2m. Composites drifted lower for want of support with **Sun Alliance** 9 off at 836p. **General Accident** relinquished 6 at 928p, while **GRE** gave up 5 at 890p.

Hire Purchases moved forward on hopes of lower interest rates. **Combined Lease Finance** continued firmly at 250p, up 10, with the additional help of press comment, while **First National Finance Corporation** added 4 at 274p following press speculation about a possible bid from the TSB. **Equity and General** revived with an improvement of 1½ to 34p, after 34½. Clearing banks drifted lower for want of support. **NatWest** gave up 6 at 605p and **Lloyds** lost 5 at 543p. **Royal Bank of Scotland**, on the other hand, hardened 2 at 336p in anticipation of today's interim results; brokers' forecasts range broadly from £97m to £104m.

USM newcomer **Colorgraphic** staged a successful debut, the shares opening at 145p and touching 166p prior to closing at 163p. **Era Group**, formerly The Times Veneer, returned after a six-week suspension and closed at 82p, after 85p.

Guinness were a nervous market ahead of an expected statement and drifted back 3 to 327p. Elsewhere, new highs for 1987 were recorded by **Greene King**, 359p, **Highland Distillers**, 80p, **Macallan-Glenlivet**, 398p and **Wolverhampton and Dudley**, 337p.

The under-tone in the Building sector was firm reflecting interest rate optimism, but the overall level of business was relatively modest and genuine demand was selective. The sector featured **RMC**, up 29 at 886p in a restricted market, on talk of a broker's recommendation. **Rugby Portland Cement** added 6½ to 239p following reports of a company presentation. **BPB Industries** moved up 11 to 737p in a restricted market, while **Blue Circle** hardened 5 to 859p. Secondary issues showed **Turriff** 21 higher at 337p following press comment. **Stanley Miller** were excited by the announcement that Mr Colin Powell is to take over as chairman with a subsequent reduction in the shareholding of Dr Bell and his family and the price rose 7 to 65p. **Raine Industries** were an active market, but settled 2 cheaper at 130p.

Features among Chemicals were few, but **Hickson International** attracted renewed speculative support in a restricted market and rose 22 to 681p, while **Coalite** gained 14 to 359p ahead of results due towards the end of the month.

Combined English followed last Friday's rise of 38 which had greeted news of the agreed bid from **Ratners** with a fresh leap of 14 to 374p as speculation mounted that either **Next** or **Woolworths** would soon launch a counter offer. Next closed 11 easier at 343p and Woolworths 5 down at 827p. Elsewhere in Stores, **Marks and Spencer** eded a penny to 233p in anticipation of today's preliminary results; brokers' forecasts range between £410m to £420m, with most opting for £415m, a 13 per cent improvement on 1985. **Coats Viyella**, which last week launched an agreed bid for Youghal Carpets, rose 12 afresh to 610p following the annual report. **Burton** gave up 6 at 311p and **Sears** declined 4 at 139¾p. **Wickes** reflected Press comment at 360p, up 10, while improvements of 4 and 6 respectively were seen in **A. Goldberg**, 150p, and **Time Products**, 145p.

BICC reflected expansion hopes with a rise of 9 at 341p, while **STC** advanced 4 to 291p on reports that its ICL subsidiary is planning to establish its first overseas manufacturing plant in continental Europe and is negotiating its first joint production venture with a Continental concern. **Plessey**, on the other hand, cheapened 5 to 219p. Elsewhere, **Brikat** jumped 15 to 157p following news that Stanley family interests had sold their 25.34 per cent stake in the company to Advent Capital at 150p per share. **Lec Refrigeration**, recently supported on talk of a bid from Amstrad, lost 10 to 338p following adverse comment.

Engineers recorded several noteworthy movements. Speculative demand in a limited market left **Booth Industries** 35 to the good at 185p. Revived buying prompted a gain of 10 to 21p in **Banro**, but **William Cook** dipped 50 to 155p on vague talks of possible problems arising from the Caterpillar situation. **600 Group**, bought last week on takeover hopes, reacted 8 to 155p, while **Hopkinsons** eased 6 to 438p following the preliminary figures. **W. A. Tyzack** improved 4 to 147p on the announcement that Gild Investments has increased its stake to 6.46 per cent.

Recently-overlooked **Hillsdown Holdings** attracted revived demand and gained 8 to 270p, while **United Biscuits** added 10 more to 298p ahead of tomorrow's annual meeting.

Food Retailers displayed a couple of bright features. **Kwik Save** rose 8 more to 303p reflecting a continuation of the recent squeeze on bear positions. While **Bejam** gained 5 to 181p on revived bid hopes Iceland Frozen Foods and Hazlewood have been mentioned as possible suitors.

Ladbroke came on offer amid adverse rumours concerning its betting operations and dipped 37 to 402p; a Ladbroke spokesman acknowledged that there were various rumours, but stated that they were totally without foundation.

The majority of miscellaneous industrials leaders were inclined easier, but **Pilkington** met with occasional support and improved 9 to 852p, while **BOC**, up 5 at 468p, resisted the slightly lower trend following a buy recommendation from Flemings Research. Elsewhere, reports of a favourable circular left **Abbeycrest** 30 to the good at 300p, while **Metal Closures** hardened 3 to 228p on news that Suter has increased its stake in the company to 21.3 per cent. Despite record annual profits and the encouraging statement on the outlook, **Silentnight** eased 2 to 107p, but **Newman Industries** rose 7 to 62½p on the announcement that Australian based Winterbottom Holdings has acquired a stake of around 26 per cent in the company. The acquisition of National Video Corporation for US$27m failed to excite **Granada** which closed a shade easier at 325p, while **London International** were also dull at 294p, down 9, following the purchase of **Tripower** an electrical manufacturing and distribution business from Bovis, a subsidiary of P&O. **Avis Europe**, a good market of late, encountered profit-taking and gave up 11 to 334p, but interest revived in **British Vita** which put on 11 to 437p. Acquisition details left **William Holdings** 11 to the good at 759p.

Jefferson Smurfit featured a gain of 14 at 445p in response to the good preliminary results. Elsewhere, **Associated Newspapers** were good at 524p, up 16, while **St. Ives** continued to edge higher, closing 8 dearer at 658p.

Properties gave a lack-lustre performance with prices fluctuating narrowly. **Land Securities**, preliminary figures due on May 13, edeged up 2 to 442p, while **Peachey** firmed 6 to 377p. Elsewhere, **Stockley**, up 8 on Friday following news of a bid approach, slipped 1 to 124p as the company revealed that discussions are currently in progress with **Mountleigh**: the latter shed 15 to 272p. **Helical Bar** were volatile and dipped to 900p before picking up to close 30 higher on balance at 980p.

The oil leaders made early progress, helped by firm crude oil prices, but quickly turned easier and eventually closed with modest falls across the board. **BP**, a strong market in recent days, slipped back 2 to 321p and **British Gas** eased a shade to 99p. Elsewhere, **Britoil** dipped 5 to 238p and **Burmah** lost 3 to 455p. Of the second line issues **Hunting Petroleum** mirrored a stock shortage and moved up 7 to 220p, while profit-taking lowered **INOCO** 2 to 54p. **Atlantic Resources**, unsettled by talk of a drilling failure in the Celtic Sea, dipped 6 to 38p. Australian oils included firm features in **Santos**, 11 up at 276p, **Genoa**, 37 higher at 185p and **Claremont** which rose 11 to 66p.

The latest slump by the dollar prompted another widespread advance by precious metal prices and led to renewed gains throughout mining markets.

The UK-registered **Rio Tinto-Zinc** held pride of place in the sector and raced up to a 1987 high and closed the session a net ⅛ up at £10, following widespread comment in the weekend press suggesting a possible bid for RTZ and its associate CRA from Australia's Robert Holmes à Court. The latter jumped 23 to 450p. Turnover in RTZ shares exceeded 3.5m shares while a big business was transacted in RTZ options.

FINANCIAL TIMES STOCK INDICES

	May 5	May 1	Apr. 30	Apr. 29	Apr. 28	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	92.51	91.96	91.69	91.85	91.56	93.05	92.51 (5/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.48	97.37	96.86	96.35	96.62	96.81	97.98 (19/3)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,626.9	1,626.9	1,612.0	1,608.6	1,589.2	1,368.5	1,626.9 (1/5)	1,320.2 (2/1)	1,626.9 (1/5/87)	49.4 (26/6/40)
Gold Mines	453.0	444.4	447.3	439.2	440.1	256.4	485.0 (14/4)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.53	3.53	3.62	3.63	3.66	3.95				
Earnings Yld.%(full)	8.38	8.38	8.33	8.31	8.43	9.87				
P/E Ratio (net) (*)	14.69	14.70	14.82	14.89	14.68	12.37				
SEAQ Bargains (5 pm)	—	41,456	39,226	38,629	37,883	—				
Equity Turnover (£m)	—	1,393.38	1,443.35	1,171.12	1,912.51	573.96				
Equity Bargains	—	49,378	45,099	44,943	45,925	25,879				
Shares Traded (ml)	—	592.4	620.1	471.7	558.7	240.1				

S.E. ACTIVITY

Indices	May 1	April 30
Gilt Edged Bargains	163.6	175.1
Equity Bargains	319.9	292.2
Equity Value	2,816.4	2,917.4
5-Day Average		
Gilt Edged Bargains	160.7	159.4
Equity Bargains	305.3	315.5
Equity Value	2,938.3	3,160.5

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1633.3	1625.3	1626.8	1625.5	1624.2	1623.2	1625.9	1626.1

Day's High 1633.8. Day's Low 1619.7 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=14.24.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Traditional Options

- First dealings May 5
- Last dealings May 15
- Last declaration August 6
- For Settlement August 17

For rate indications see end of Unit Trust Service

Stocks to attract money for the call included **CASE**, **Bridon**, **Helical Bar**, **Acorn Securities**, **Sound Diffusion**, **Blacks Leisure**, **BETEC**, **North West Exploration**, **Amalgamated Finance**, **Peek Holdings**, **British Airways**, **Reliant Motor**, **Premier Consolidated**, **British Telecom**, **Spong**, **Christy Hunt**, **GRA**, **Rotaprint**, **Control Securities**, **Dares Estates**, **Property Trust**, **Abaco**, **Bula Resources**, **Bryant Holdings**, **Allied London Properties**, **Comman Brothers**, **Norfolk Capital**, **ERA**, **PWS Holdings**, **Powell Duffryn**, **Birmingham Mint**, **Harris Queensway** and **Wiggins**. Puts were arranged in **BETEC** and **Bridon**, while **Common Bros.** were dealt in for the double.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	4,900	163	+3	Jaguar	1,900	574	—
Allied Lyons	3,100	417	+8	Ladbroke	7,800	402	−37
Amstrad	5,350	202½	+½	Land Securities	347	442	+2
Assoc. Brit. Foods	273	355	—	Legal & Gen.	435	281	—
Argyll Group	1,700	423	−1	Lloyds Bank	702	543	−5
BAT	2,200	518	−3	Lonrho	1,100	266½	—
BET	2,700	248	+1	MEPC	389	425	−2
BOC	2,600	468	+5	Marks & Spncr.	1,900	234	+2
BPB Inds	847	737	+11	Midland Bank	292	673	−3
BPCC	6,900	319	+2	NatWest Bank	719	605	−6
BTR	2,400	327	−2	Next	937	343	−11
Barclays	551	519	−4	Pearson	1,800	611	—
Bass	611	946	−1	P & O	798	627	—
Beecham	2,300	541	−3	Pilkington Bros	773	853	+10
Blue Circle	296	859	+5	Plessey	5,400	219	−5½
Boots	1,400	295	−2	Prudential	337	875	—
Brit. Airways	2,600	156	−2	Racal	870	229	—
Brit. Aero	1,200	657	−5	Rank Org.	197	724	+8
Brit. & Comm.	65	446	−1	RHM	1,200	306	—
Brit. Gas	9,100	99	−½	Reckitt & Col	340	£10¼	+⅛
Britoil	1,400	238	−5	Redland	651	472	—
BP	4,700	321	−2	Reed Intl.	855	443	+1
Brit. Telecom	8,000	291	+1	Reuters	957	665	−4
Bunzl	1,000	232½	−2½	RMC	322	886	+29
Burton	2,200	315	−2	RTZ	3,500	£10	+⅛
Cable & Wire	1,700	353	−1	Rowntree Mac	620	510	—
Cadbury Schwps	1,600	255	−2	Ryl Bank Scotland	377	336	+2
Coats Viyella	472	610	+12	Royal Insurance	791	878	+4
Comm. Union	899	319	−½	STC	5,800	290	+3
Cons. Gold	664	970	+7	Saatchi & Saatchi	1,200	615	−22
Cookson	162	652	—	Sainsbury	209	513	+2
Courtaulds	744	443	+2	Sears	10,000	140½	−3
Dee Corpn	2,700	223	+1	Sedgwick	574	306	−6
Dixons Grp	2,600	385	−2	Shell Trans	3,500	£12$\frac{1}{16}$	−$\frac{1}{16}$
English China Clays	397	424	+1	Smith & Nephew	1,600	161½	−2
Fisons	426	650	−2	Standard Chart	215	833	−4
Gen. Accident	180	928	−6	Storehouse*	376	294	−3
Gen. Elect	2,500	198	−1½	Sun Alliance	275	836	−9
Glaxo	406	£14$\frac{5}{16}$	−$\frac{1}{16}$	TSB	3,200	82½	−1½
Globe Investment	131	158½	+½	Tarmac	1,500	524	+5
Granada	2,400	325	−1½	Tesco	917	499	+2
Grand Met	2,500	490	−5	Thorn EMI	1,400	683	−2
GUS "A"	376	£13¼	—	Trafalgar House	1,800	348	−1
Guardian R.E.	296	895	—	T'house Forte	3,100	249	—
GKN	797	328	−2	Unigate	549	380	+1
Guinness	1,875	327	−3	Unilever	351	£27	—
Hanson Trust	7,500	167	+½	United Biscuits	3,400	298	+10
Hawker Sidd	302	532	−1	Wellcome	1,700	437	—
Hillsdown Hlgs	4,900	270	+8	Whitbread "A"	517	348	+1
ICI	804	£13½	—	Woolworth	368	827	−5

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	109	0	4
Corporations, Dominion and Foreign Bonds	28	1	38
Industrials	474	474	601
Financial and Properties	157	143	291
Oils	26	39	47
Plantations	1	2	11
Mines	83	51	50
Others	68	100	62
Totals	946	810	1,104

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (204)

BRITISH FUNDS (26), INT. BANK & O'SEAS GOVT. STLG ISSUES (5), CORPORATION LOANS (2), COMMONWEALTH & AFRICAN LOANS (1), LOANS (2), FOREIGN BONDS (3), AMERICANS (2), BANKS (5), BREWERS (5), BUILDING (10), CHEMICALS (3), STORES (9), ELECTRICALS (8), ENGINEERING (11), FOODS (6), HOTELS (5), INDUSTRIALS (30), INSURANCE (1), LEISURE (2), MOTORS (1), NEWSPAPERS (1), PAPER (4), PROPERTY (11), SHOES (1), SOUTH AFRICANS (1), TEXTILES (2), TRUSTS (25), OILS (10), OVERSEAS TRADERS (2), PLANTATIONS (1), MINES (9).

NEW LOWS (30)

AMERICANS (11), CANADIANS (8), BANKS (1), HK & Sanghai, BUILDINGS (1) Intl. Amco, CHEMICALS (2) Akzo, Snia BPD, STORES (1) Gee (Cecil), INSURANCE (2) Aon Corp., Uslife Corp., PAPER (1) Ogilvy Group, PROPERTY (1) HK Land, TRUSTS (1) TR Pacific Basin, OILS (1) Ranger Oil.

FT-ACTUARIES WORLD INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue May 5 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Fri May 1 Index No.	Thurs April 30 Index No.	Weds April 29 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	874.04	+0.1	7.50	3.04	16.89	7.02	873.11	866.74	862.80	745.46
2	Building Materials (27)	1099.72	+0.9	7.22	3.01	17.47	6.06	1090.07	1080.45	1070.92	820.75
3	Contracting, Construction (32)	1450.56	+0.4	7.34	3.33	18.63	11.30	1445.02	1434.19	1417.64	1225.29
4	Electricals (12)	2172.82	+1.3	6.23	3.64	21.56	31.62	2145.42	2118.73	2105.83	2021.72
5	Electronics (36)	1908.43	−0.4	7.87	2.30	16.72	11.17	1915.87	1928.82	1933.58	1745.20
6	Mechanical Engineering (59)	494.66	−0.3	8.51	3.50	14.97	5.25	496.23	489.66	480.77	415.61
8	Metals and Metal Forming (7)	472.32	—	7.87	3.29	15.33	3.58	472.46	471.51	474.60	363.95
9	Motors (15)	337.31	+0.2	8.88	3.15	12.95	2.96	336.79	331.56	330.69	306.00
10	Other Industrial Materials (21)	1502.05	—	6.07	3.29	19.80	15.30	1502.25	1478.21	1485.49	1334.97
21	CONSUMER GROUP (187)	1198.91	−0.1	6.28	2.67	20.47	4.73	1198.86	1191.32	1185.02	922.10
22	Brewers and Distillers (22)	1115.69	—	7.65	3.03	16.44	4.89	1116.26	1104.85	1104.91	932.16
25	Food Manufacturing (26)	904.38	+0.4	7.78	3.27	16.95	7.32	900.93	895.49	892.02	684.96
26	Food Retailing (16)	2217.72	+0.6	5.98	2.50	22.94	10.56	2203.40	2190.31	2190.32	1925.77
27	Health and Household Products (10)	2236.28	−0.4	4.34	1.74	26.58	2.95	2244.29	2227.19	2207.06	1498.46
29	Leisure (32)	1281.37	−1.6	5.91	3.30	22.39	9.98	1301.86	1299.14	1289.22	896.69
31	Packaging & Paper (15)	627.64	−0.1	6.23	2.63	20.93	3.34	628.20	617.83	614.01	476.17
32	Publishing & Printing (14)	3691.15	+0.6	5.75	3.06	22.32	16.79	3669.86	3630.36	3598.28	2452.82
34	Stores (36)	1036.26	−0.3	6.31	2.60	21.53	1.89	1039.06	1038.19	1029.04	906.79
35	Textiles (16)	718.88	+0.9	7.63	2.92	15.09	0.59	712.77	704.76	707.73	531.52
40	OTHER GROUPS (87)	1020.64	—	7.89	3.27	15.79	7.47	1020.57	1009.96	1006.48	795.23
41	Agencies (17)	1398.07	−1.0	5.02	1.75	26.73	8.06	1411.60	1404.78	1401.86	0.0
42	Chemicals (21)	1263.50	+0.3	7.72	3.43	15.87	17.36	1260.09	1245.72	1249.35	903.09
43	Conglomerates (11)	1297.48	+0.2	6.95	3.26	16.95	4.36	1295.13	1292.77	1274.14	0.0
45	Shipping and Transport (11)	2058.25	−0.1	7.24	3.86	17.43	23.04	2060.38	2037.60	2018.50	1630.46
47	Telephone Networks (2)	1102.36	+0.2	8.48	3.40	16.07	1.09	1099.75	1091.39	1098.25	890.82
48	Miscellaneous (25)	1339.64	−0.3	9.27	3.27	12.23	16.92	1344.23	1314.01	1294.17	1025.38
49	INDUSTRIAL GROUP (483)	1078.96	—	7.02	2.93	18.05	6.36	1079.02	1070.75	1065.83	855.41
51	Oil & Gas (17)	1919.40	−0.6	5.98	4.81	21.66	36.56	1930.49	1898.70	1866.28	1153.77
59	500 SHARE INDEX (500)	1150.09	−0.1	6.87	3.20	18.50	9.00	1151.10	1140.81	1133.51	882.82
61	FINANCIAL GROUP (118)	709.30	−0.3	—	4.09	—	9.27	711.19	704.39	702.71	629.25
62	Banks (8)	757.61	−0.7	18.63	4.93	7.10	14.92	763.13	750.59	743.01	706.06
65	Insurance (Life) (9)	977.82	+0.2	—	4.31	—	19.68	975.42	966.93	968.83	839.28
66	Insurance (Composite) (7)	527.96	−0.3	—	4.64	—	5.09	529.38	530.70	538.08	520.89
67	Insurance (Brokers) (9)	1154.24	−0.6	9.28	4.67	13.94	19.02	1161.50	1152.29	1153.04	1267.42
68	Merchant Banks (11)	368.37	−0.1	—	3.40	—	2.91	368.78	364.41	362.77	362.42
69	Property (47)	1036.75	−0.1	4.43	2.76	29.25	4.00	1037.47	1026.69	1022.21	762.44
70	Other Financial (27)	465.84	+0.2	7.09	3.26	17.95	3.04	465.07	462.74	460.27	358.45
71	Investment Trusts (94)	964.60	+0.2	—	2.42	—	5.19	963.13	959.49	958.25	758.54
81	Mining Finance (2)	489.98	+2.3	6.25	3.39	18.81	1.89	479.08	482.36	479.97	289.02
91	Overseas Traders (11)	957.01	+0.3	9.45	4.68	12.78	10.55	954.45	947.13	944.50	674.70
99	ALL-SHARE INDEX (725)	1031.74	−0.1	—	3.32	—	8.74	1032.48	1023.58	1017.89	807.33

	Index No.	Day's Change	Day's High	Day's Low	May 1	April 30	April 29	April 28	April 27	Year ago
FT-SE 100 SHARE INDEX ‡	2065.1	−3.4	2073.9	2058.8	2068.5	2050.5	2038.6	2022.1	1986.6	1636.2

FIXED INTEREST

	PRICE INDICES	Tues May 5	Day's change %	Fri May 1	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	125.51	+0.43	124.97	—	3.64
2	5-15 years	146.41	+0.82	145.31	0.09	5.03
3	Over 15 years	157.16	+1.03	155.56	—	4.78
4	Irredeemables	169.17	+0.69	168.02	—	6.07
5	All stocks	142.37	+0.74	141.37	0.05	4.57
	Index-Linked					
6	5 years	120.88	+0.34	120.47	—	0.83
7	Over 5 years	119.20	+0.32	118.82	—	1.17
8	All stocks	119.14	+0.32	118.76	—	1.13
9	Debentures & Loans	126.43	+0.63	125.63	—	2.95
10	Preference	87.38	−0.02	87.40	—	1.99

	AVERAGE GROSS REDEMPTION YIELDS		Tues May 5	Fri May 1	Year ago (approx.)
	British Government				
1	Low	5 years	7.86	8.01	7.68
2	Coupons	15 years	8.62	8.74	8.56
3		25 years	8.64	8.75	8.56
4	Medium	5 years	8.59	8.75	8.84
5	Coupons	15 years	8.81	8.93	8.84
6		25 years	8.82	8.94	8.84
7	High	5 years	8.74	8.90	8.96
8	Coupons	15 years	8.95	9.07	8.96
9		25 years	8.80	8.90	8.96
10	Irredeemables †		8.77	8.83	8.54
	Index-Linked				
11	Inflat'n rate 5%	5 yrs	2.61	2.71	3.51
12	Inflat'n rate 5%	Over 5 yrs	3.54	3.56	3.36
13	Inflat'n rate 10%	5 yrs	2.09	2.18	2.41
14	Inflat'n rate 10%	Over 5 yrs	3.43	3.45	3.20
15	Debs &	5 years	9.76	9.84	9.96
16	Loans	15 years	9.94	10.02	9.88
17		25 years	9.97	10.05	9.80
18	Preference †		10.41	10.41	11.04

‡ Opening Index 2073.8; 10 am 2064.2; 11 am 2067.0; Noon 2064.2; 1 pm 2063.1; 2 pm 2060.6; 3 pm 2065.0; 3.30 pm 2063.0; 4 pm 2064.7

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Allied Lyons (*416)	330	88	98	—	1½	4	—
	360	60	72	83	5	8	14
	390	37	50	57	12	16	20
	420	19	29	38	23	27	33
Brit. Airways (*157)	130	28	30	—	2½	5	—
	140	19	24	32	5	9	11
	160	9	15	21	16	18	21
British Gas (*99)	70	31	34½	—	1	1½	—
	80	22	26	—	1	3	—
	90	15	18½	22½	3	6	7
	100	8	12	16	7	9½	11
B.P. (*321)	283	49	58	66	4	6	11
	300	35	46	56	8	12	19
	317	25	33	—	14	22	—
	330	17	26	39	25	32	35
Britoil (*238)	220	29	38	47	7	11	15
	240	20	28	36	17	21	24
	260	12	19	26	29	32	36
Cons. Gold (*968)	900	115	140	—	22	42	—
	950	85	112	132	42	64	80
	1000	65	90	115	74	92	110
	1050	52	77	—	110	122	—
Courtaulds (*444)	360	86	96	—	2	4	—
	390	58	72	83	6	11	14
	420	37	52	62	13	21	25
	460	15	30	42	34	38	41
Com. Union (*318)	240	85	—	—	1	7	—
	260	65	—	—	2	—	—
	280	47	55	—	3	7	—
	300	34	44	54	8	13	17
	330	17	27	38	23	28	31
	360	8	16	—	45	48	—
Cable & Wire (*353)	300	62	—	—	4	—	—
	330	42	53	65	12	18	25
	360	24	33	45	27	34	37
	390	7	24	32	48	58	60
G.E.C. (*198)	180	27	31	38	3½	6	9
	200	14	19	25	11	16	18
	220	7	11	—	24	27	—
	240	3	7	—	42	46	—
Grand Met. (*488)	460	47	62	75	9	17	20
	500	22	36	52	27	33	37
	550	8	18	—	65	70	—
I.C.I. (*1352)	1200	192	215	242	11	23	30
	1250	148	175	210	15	30	45
	1300	108	140	170	27	50	63
	1350	70	112	145	50	70	88
Land Securities (*442)	390	56	65	74	4	9	15
	420	28	44	53	9	17	25
	460	9	18	28	27	37	47
Marks & Spen. (*233)	200	35	43	49	2	4	8
	220	19	27	36	7	11	14
	240	8¼	16	23	17	21	25
Shell Trans. (*1204)	1000	225	240	—	3	6	—
	1050	178	193	—	7	15	—
	1100	133	155	180	16	25	35
	1150	100	127	152	27	40	50
	1200	68	97	127	45	60	72
	1250	48	75	—	78	93	—
Trafalgar House (*349)	280	72	78	—	2	4	—
	300	52	61	71	5	8	10
	330	29	39	50	10	15	21
	360	10	19	30	22	28	37
TSB (*83)	70	15½	18½	—	1	1½	—
	80	8½	11½	15	3½	4½	5½
	90	3¼	7¼	10	9	10½	12½
Woolworth (*826)	750	90	120	135	10	30	35
	800	55	80	110	25	50	60
	850	35	45	70	65	80	95
Option		June	Oct	Jan	June	Oct	Jan
Bass (*946)	850	105	123	140	8	20	25
	900	65	90	100	15	35	45
	950	35	65	75	35	55	70
	1000	15	45	58	75	85	95
GKN (*327)	300	34	39	53	5	12	15
	330	17	22	37	15	24	26
	360	6	14	26	34	41	46
Jaguar (*574)	550	45	70	85	18	22	30
	600	22	42	57	40	47	53
	650	5	23	—	77	82	—
Option		May	Aug	Dec	May	Aug	Dec
Barclays (*519)	500	32	47	60	7	17	30
	550	5	27	35	37	42	50
	600	1	7	17	82	90	92
Midland Bk (*673)	600	78	100	117	3	10	20
	650	40	62	82	13	25	30
	700	9	25	50	32	45	50
Option		May	Aug	Nov	May	Aug	Nov
Brit Aero (*657)	600	62	90	105	3	19	25
	650	25	52	70	16	33	43
	700	6	34	47	50	58	65
BAT Inds (*518)	460	62	78	93	2	8	11
	500	28	48	65	8	20	25
	550	7	27	43	40	45	48
Brit. Telecom (*291)	240	53	59	65	1	3½	7
	260	32	42	50	1	7½	12½
	280	16	26	38	5	15	20
Cadbury Schweppes (*256)	220	38	47	56	1	4	9
	240	19	31	44	3	9	14
	260	6	21	32	12	18	25

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Guinness (*327)	260	72	80	—	1	3	—
	280	52	62	72	2	5	8
	300	34	47	57	3	10	15
	330	10½	25	38	15	23	25
Ladbroke (*413)	373	48	55	—	2	6	—
	403	25	35	53	10	22	25
	443	5	19	30	37	40	43
LASMO (*242)	200	43	50	62	1	8	10
	220	27	34	45	5	13	17
	240	12	23	35	12	22	28
	260	4	14	25	26	31	36
P. & O. (*627)	550	82	95	110	2	7	12
	600	35	55	72	5	17	25
	650	7	23	38	30	42	50
Plessey (*219)	220	8	18	23	7	12	18
	240	3	10	15	23	27	30
	260	1	4	9	42	43	44
Racal (*228)	200	31	37	—	2	4	—
	220	17	22	30	6	13	14
	240	5	12	18	17	22	26
	260	1½	6	12	33	36	40
R.T.Z. (*1000)	800	202	202	207	3	4	13
	850	152	155	162	3	9	25
	900	102	115	132	9	20	40
	950	55	85	110	20	37	50
	1000	25	65	86	40	60	72
Vaal Reefs (*$144)	120	21	25½	28½	1	5½	7½
	130	13	19	24½	3	9	12
	140	8	15	21	7½	13½	16½
	150	5	11½	18½	13	18	21
Tr. 11¾% 1991 (*£110)	106	3¾	3⅞	4	0⅛	0¼	0⅞
	108	1½	2⅛	2⅜	0¼	1	1½
	110	0⅝	1⅛	1⅛	1⅛	2	2⅝
	112	0⅛	0½	0⅝	2¼	3½	4
Tr.11¾%03/07 (*£124)	118	6⅛	7⅛	8⅛	0⅛	0⅛	1⅛
	120	4⅛	6⅛	6⅛	0⅛	1⅛	2
	122	3⅛	4⅞	5⅛	0⅛	1⅛	2⅛
	124	2	3⅛	4⅛	1	2½	3½
Option		Jun	Sep	Dec	Jun	Sep	Dec
Amstrad (*203)	160	48	55	62	1	3	5
	180	32	41	48	5	11	14
	200	19	28	34	13	18	22
Beecham (*541)	460	92	98	108	5	12	15
	500	53	70	80	10	19	25
	550	23	38	53	35	42	48
	600	7	20	31	67	75	73
Boots (*295)	260	39	46	59	2	8	11
	280	24	34	45	9	17	21
	300	12	22	32	20	25	29
BTR (*327)	280	57	63	70	3	6	8
	300	38	50	55	5	8	12
	330	18	29	38	14	20	24
	360	5	16	24	35	38	38
Blue Circle (*859)	700	168	178	193	1	3	8
	750	118	130	145	4	10	20
	800	68	87	105	12	20	35
	850	30	55	77	23	38	48
De Beers (*$1275)	1050	285	305	325	13	30	45
	1100	255	270	295	30	55	70
	1200	195	225	255	55	85	120
	1300	135	185	220	105	135	170
Dixons (*387)	351	44	54	—	5	10	—
	360	—	—	58	—	—	19
	381	22	34	—	20	24	—
	390	—	—	40	—	—	32
	420	9	17	26	48	50	52
Glaxo (*1426)	1400	95	145	170	48	70	95
	1450	65	120	145	75	95	115
	1500	45	90	120	105	125	135
	1550	30	75	100	145	155	165
	1600	18	60	80	185	190	200
	1650	12	45	—	230	230	—
Hanson (*167)	140	—	—	37	—	—	4
	150	20	25½	—	2½	5	—
	160	—	—	23½	—	—	9½
	165	9½	15½	—	7½	10	—
	180	3½	8½	13½	16½	19	20½
Lonrho (*267)	218	53	57	—	2	4	—
	236	37	41	46	4½	7	11
	255	21	28	33	7	13	17
	273	10	18	23	16	22	25
Sears (*139)	130	12	17½	20	2½	5	7
	140	6½	12	16½	8½	11	14½
	160	2	7	9½	23	24	26½
Tesco (*499)	390	113	122	—	1	2	—
	420	83	94	—	2	5	—
	460	42	63	78	4	12	18
	500	19	33	52	20	25	32
Thorn EMI (*684)	550	145	150	—	2	4½	—
	600	98	102	125	5	13	22
	650	57	70	95	15	30	40
	700	30	42	62	42	52	60
Trusthouse Forte (*249)	200	54	58	64	1	3	6
	220	36	42	48	2	7	9
	240	18	29	34	7	11	15

Option		Calls May	Calls June	Calls July	Calls Aug.	Puts May	Puts June	Puts July	Puts Aug.
FT-SE Index (*2064)	1850	223	—	—	—	2	—	—	—
	1900	173	195	215	—	5	12	23	—
	1950	130	150	175	—	11	22	36	—
	2000	88	120	137	160	22	37	50	60
	2050	55	85	110	130	38	55	68	80
	2100	35	55	77	100	63	80	93	107

May 5. Total Contracts 28,200. Calls 21,225. Puts 6,975. FT-SE Index, Calls 561 Puts 759. *Underlying security price.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§150	F.P.	15/4	180	160	Admiral Comp'ting 5p	168	−3	u2.13	3.6	1.7	22.0
§180	F.P.	15/5	201	189	Airtours10p	200	......	R5.4	2.5	3.7	14.6
§115	F.P.	20/5	138	128	Bellwinch 10p	131	−2	R3.2	3.7	3.2	11.0
§115	F.P.	8/5	145	133	Brooks Service Group	145	+2	L3.8	2.2	3.5	15.8
§80	F.P.	8/5	193	150	‡Burford Group	193	+10	u1.2	3.2	0.85	49.7
‖‖	F.P.	—	423	400	Calor Group 50p	408	......	t12.0	2.6	4.0	13.0
130	F.P.	8/5	135	129	Cambridge Instru. 5p	130	......	R0.7	8.8	0.7	14.8
§55	F.P.	—	98	68	‡Cambridge Isotopelc	85	......	R20.9	—	0.65	—
§200	F.P.	11/5	226	211	‡Castle Comms. 5p	211	......	R7.0	2.2	3.1	14.05
115	F.P.	—	120	116	Church (Charles) 5p	116	−1	R2.75	3.10	3.1	13.8
§125	F.P.	—	166	145	‡Colorgraphic 10p	163	......	L3.0	2.8	3.5	13.5
‖‖	F.P.	—	310	291	Coatibel 50p	291	−6	t8.0	1.6	3.7	22.0
§130	F.P.	22/5	153	145	Cooper (Alan) 10p	146	−2	t4.0	2.5	3.7	14.7
§125	F.P.	29/5	153	143	Cundell Group 10p	151	+3	W3.19	3.1	2.6	15.5
§135	F.P.	—	166	138	Doeflex 10p	166	+1	L3.45	2.50	2.8	19.2
‖‖	F.P.	—	85	81	ERA Group 5p	82	......	—	—	—	41
§155	F.P.	15/5	195	170	‡Epwin Group 10p	188	−3	L4.0	2.6	2.8	18.4
§120	F.P.	29/5	181	160	‡Filofax 5p	163	−2	u2.7	2.8	2.2	21.9
§112	F.P.	1/5	133	115	‡HoneysuckleGr'p2p	118	+3	R4.1	2.5	4.7	11.5
§120	F.P.	24/4	211	185	Mallett 5p	210	+20	u3.0	3.1	1.9	22.5
§120	F.P.	29/5	127	123	‡March Group 5p	125	......	L4.2	2.4	4.5	12.4
§114	F.P.	8/5	127	114	Melville StreetInv.	123	......	1.4	1.2	1.5	—
—	—	—	35½	25	Do. Warrants	34½	......	—	—	—	—
225	F.P.	24/4	342	225	MercuryAssetMgmt.5p	328	+3	R5.0	4.0	2.1	16.4
§106	F.P.	—	120	113	‡Orchid Technology‖	120	......	RQ2.57c	5.2	1.4	13.6
§180	F.P.	1/5	198	180	Perpetual 10p	198	......	u2.5	4.5	1.7	17.0
§95	F.P.	10/4	102	96	RCO 10p	97	......	L3.91	2.1	5.5	11.8
§55	F.P.	3/6	84	64	‡RKF Group 10p	80	−4	u2.19	2.4	3.7	13.8
§140	F.P.	1/5	181	163	‡RelianceSecGroup5p	168	+2	b4.5	2.5	3.7	15.1
§135	F.P.	—	193	163	‡Select Appts. 1p	193	......	L2.5	2.8	1.8	27.6
§125	F.P.	—	165	158	‡UCL Group 5p	158	−3	u2.5	2.8	2.2	22.3
§140	F.P.	15/5	183	171	Waterglade Intl. 5p	183	+2	R3.25	3.5	2.4	15.1
130	F.P.	16/3	148	134½	Wilson Bowden10p	147	−3	L3.4	3.0	3.2	14.4
§120	F.P.	29/4	197	145	‡WyevaleGdn.Cen.50p	197	......	u2.63	2.8	1.8	26.7
§133	F.P.	22/5	148	136	YRM 10p	136	......	R4.41	3.5	2.3	15.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
§98.919	F.P.	29/5	101	95	Asda Prop.10$\frac{5}{16}$% 1st Mort.Deb. 2011	100	+1
‖	£30	3/6	49	38	DixonsGrpNon-Int-brng.Cv.Un.Ln(£1)	42	....
—	F.P.	—	98	98	Friendly Hotels 4½% Cnv Cum Red Prf £1	98	....
§100.156	£30	13/8	30$\frac{5}{16}$	30⅛	Land Securities New 10% 1st Mt Db '25	30⅛	....
—	F.P.	—	100⅝	100	Nationwide 9$\frac{13}{16}$% Bds.12/4/88	100⅝	+¼
—	F.P.	—	101½	100	Do. 3⅝% I-L Ln 2021	101	....
—	F.P.	—	100½	100$\frac{1}{16}$	Do. 9$\frac{11}{16}$% Bds. 3/5/88	100½	+$\frac{1}{16}$
‖	F.P.	30/6	101⅛	99	Second Mkt. Ins. 2½% Cnv Uns Ln' 94	99	....
§98.819	£20	11/9	24$\frac{11}{16}$	18⅞	TR City of Lon. Tst. 10¼% Deb 2020	22⅞	....
8.25	Nil	—	95pm	75pm	Tops Est. 'New' 7½% Cnv. Uns. Ln. 2014	95pm	+5
§99.016	£25	29/5	29¼	25⅛	Town Centre Secs. 10½% 1st Mort.Deb.2021	29¼	+1⅛
—	£30	9/10	32⅞	30	Tribune Inv. Tst. 9⅛% Deb 2012	32⅞	+⅛
§98.09	£25	1/9	26¼	25⅞	Vaux 9⅞% Deb. 2015	26¼	+⅛

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
11	Nil	26/6	10½pm	8pm	Astra Ind'l. 5p	10¼pm	.. ..
320	Nil	—	120pm	90pm	Authority Invs. 20p	108pm	−2
130	Nil	—	155pm	153pm	Brent Walker 10p	155pm	....
170	Nil	—	27pm	3pm	Campari Intl. 20p	27pm	+11
75	Nil	—	40pm	8pm	Ferguson (J) 10p	25pm	......
80	Nil	29/5	36pm	21pm	Micro Business Systems 5p	35pm	......
5	Nil	22/5	40pm	23pm	‡New England Props. 5p	26pm	......
60	Nil	3/6	4½pm	1¼pm	Senior Eng. 10p	4¼pm	+¼
385	Nil	8/6	95pm	90pm	Speyhawk	90pm	......
470	Nil	—	84pm	64pm	Vaux Group	64pm	−3
150	Nil	10/6	62pm	36pm	Walker (Alfred) 10p	59pm	+10
157	Nil	26/6	32pm	7pm	Weir Group	32pm	...

Renunciation date usually last day for dealing free of stamp duty. *a* Annualised dividend. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *h* Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures *t* Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. * Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ** Issued in connection with reorganisation merger or takeover. ■ Allotment price. ‡ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement.

WORLD STOCK MARKETS

AUSTRIA [illegible]

BELGIUM/LUXEMBOURG [illegible]

DENMARK [illegible]

FINLAND [illegible]

FRANCE [illegible]

GERMANY [illegible]

ITALY [illegible]

NETHERLANDS [illegible]

NORWAY [illegible]

SPAIN [illegible]

SWEDEN [illegible]

SWITZERLAND [illegible]

AUSTRALIA [illegible]

AUSTRALIA (Continued) [illegible]

HONG KONG [illegible]

JAPAN [illegible]

JAPAN (Continued) [illegible]

SINGAPORE [illegible]

SOUTH AFRICA [illegible]

CANADA

TORONTO

Closing prices May 5

[illegible]

MONTREAL

Closing prices May 5

[illegible]

Indices

NEW YORK-DOW JONES [illegible]

STANDARD AND POORS [illegible]

N.Y.S.E. ALL COMMON [illegible]

RISES AND FALLS [illegible]

TORONTO [illegible]

[illegible]

LONDON – Most Active Stocks
May 5, 1987

	Stocks Traded	Closing Price	Change on Day		Stocks Traded	Closing Price	Change on Day
Sears	10.00m	149½	−3	BPCC	6.00m	319	+2
Brit Gas	9.10m	99	−½	STC	5.80m	290	+3
Brit Telecom	8.00m	281	+1	Plessey	5.40m	219	−5½
Ladbroke	7.80m	402	−37	Amstrad	5.35m	202½	+½
Hanson Tr.	7.50m	167	+½	ASDA-MFI	4.90m	163	+3
				Hillsdown Hldgs	90m	270	+8

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
USX Corp	3,183,700	30	+1	Std Oil Co	1,748,800	73¼	+⅛
IBM	2,313,400	166	+3	Ltv Corp	1,451,200	4⅜	+⅛
Hewlt-Pack	2,277,300	61¾	+3¾	Beth Stl	1,438,400	15	+1⅞
Chrysler	1,998,100	39⅞	−⅛	Texaco	1,301,100	33¾	+⅛
ATT	1,924,600	24⅞	+¼	Burlgtn Ind	1,279,000	58⅛	−⅝

Advances 949 Declines 327

LONDON
Chief price changes (in pence unless otherwise indicated)

RISES:			Brit Vita	436	+10	Hunting Pet	220	+7	STC	290	+3
Assoc News	524	+16	Coalite	359	+14	Miller (Stan)	65	+7	Smurfit (Jeff)	443	+12
BICC	341	+9	Comb Eng St	376	+16	Minet Hldgs	287	+15			
BPB Inds	737	+11	Comb Lease Fin	250	+10	Newman Inds	62½	+7	FALLS:		
Booth Inds	185	+35	Hickson Int	681	+22	RMC	886	+29	Cook (Wm)	155	−50
Brikat	157	+15	Hillsd Hldgs	270	+8	Rugby Cement	239	+6½	Ladbroke	402	−37

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 49

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NYSE COMPOSITE CLOSING PRICES

Continued from Page 49

[illegible]

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33⅝	20⅛	AAR s	.50	1.7	20	381	29⅝	27¾	29	−¼
37	21⅞	ADT	.92	2.9	18	317	31⅝	30⅝	31¼	+1¼
41½	23⅝	AFG	.12e	.3	11	1129	38¾	38	38½	+⅝
42	16¾	AGS			21	864	42	40½	41½	+⅝
13¾	6¾	AMCA				12	7½	7½	7½	
9⅝	4⅞	AM Intl				1507	6⅝	6⅜	6½	−¼
62⅞	47¼	AMR			12	7844	55⅞	54	55⅞	+2½
12⅝	8	ARX s			12	76	10¼	10	10¼	+⅛
73½	28¾	ASA	2a	3.1		740	66½	65⅛	65½	−¾
20	9¾	AVX			17 96	202	19⅛	18½	19⅛	+¾
67	41	AbtLb s	1	1.6	25	7345	61⅜	59⅝	61⅜	+1⅞
34¾	25	AccoWd .62		2.1	19	329	30	29⅝	30	+¾
15⅛	9	AcmeC .40		3.0	9	1409	13¼	12⅞	13¼	
8⅝	6⅛	AcmeE .32b		4.1	30	12	7⅞	7¾	7⅞	+⅛
23⅞	19	AdaEx 3.42e		16.		118	21¼	21	21⅛	
19½	11⅜	AdmMl s .24		1.4	13	43	17¼	16¾	17¼	+⅜
21½	12⅛	AdvSys .62t		3.4	14	184	18½	18	18½	+¾
28⅞	12⅞	AMD				7925	22⅞	22⅜	22¾	+¼
54¾	49⅝	AMD pf	3	5.6		193	54⅛	53⅞	53⅞	+⅛
10¾	5¼	Adobe				76	9¼	9	9⅛	
21⅞	16⅝	Adob pf 2.40		12.		15	20⅝	20¼	20⅝	+⅛
18⅝	11½	Advest .12a		.8	11	345	15¼	14⅝	14¾	−½
68¼	53	AetnLf 2.76		4.8	9	5247	58⅛	57⅛	58	+1⅛
50¾	21⅞	AflPb s .32		.6	26	352	49¼	47¾	49¼	+1¾
28¾	18⅞	Ahmns .88		3.8	7	13507	23⅝	22¾	23	+½
5¾	2⅞	Aileen				85	4¼	4⅛	4⅛	
48½	29⅛	AirPrd .80		1.8	24	1226	44	43¼	44	+½
35¼	16	AirbFrt .60		1.8	13	330	33⅛	32⅞	33	+½
12	7⅜	Airgas n				156	10⅞	10⅝	10⅝	−¼
20⅝	16⅝	Airlse n1.03e		6.0		60	17¼	17	17⅛	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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NYSE COMPOSITE CLOSING PRICES

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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, closing prices

Continued on Page 47

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Shaky dollar fails to curb strong advance

WALL STREET

SPURRED by firm bond and stock futures markets, Wall Street share prices posted strong gains in active trading yesterday, *writes Roderick Oram in New York.*

Bond prices, which had risen as much as ¾ of a point, gave up some of their gains late in the day after the $10bn of three-year Treasury notes were sold at an average yield of 7.91 per cent, slightly higher than expected.

The Dow Jones industrial average closed up 51.85, its fourth-largest ever gain in points terms at 2,338.07. Buying was broadly based among first-tier stocks, particularly drug, computer and airline stocks.

The Standard & Poor's 500 index closed up 5.98 at 295.34, and the New York Stock Exchange composite index added 3 to 166.22. Second-tier stocks fared less well leaving the American Stock Exchange composite up 3.11 at 328.29.

Gains earlier in the day appeared to be spurred by futures-related buying programmes, but institutional buyers stepped in during the afternoon. NYSE volume was moderately heavy at 192.8m shares with advancing shares outnumbering those declining by almost three-to-one.

Among the Dow industrials, Chevron gained $1⅛ to $57½, Coca-Cola was up $1 to $43¼, Eastman Kodak advanced $1¼ to $77¼, Exxon was ahead $2⅜ to $89, American Express rose $1⅜ to $69¼, Du Pont jumped $4⅜ to $114½, 3M rose $4¾ to $132¼ and Philip Morris gained $2¼ to $84½.

In drug stocks, Squibb leapt $10⅜ to $163⅜. It raised its forecast of profit growth this year to a gain of 35–40 per cent from 30–35 per cent. Merck gained $6⅜ to $156⅛, Abbott Laboratories added $1⅞ to $61⅜, Bristol-Myers rose $2⅞ to $100⅜ and Eli Lilly advanced $4½ to $97⅜.

Higher computer stocks included IBM, up $4⅜ to $167⅜, Digital Equipment, $2⅜ to $174⅛, Unisys, $5¾ to $125, and Data General $1¾ to $32¼.

Airlines, many of which reported yesterday sharp traffic increases in April, also found favour among investors. Delta rose $1⅞ to $50¼, Texas Air $2¼ to $37⅞, AMR, parent of American, rose $2½ to $55⅞ and TWA gained $⅞ to $24⅞ although NWA slipped $⅞ to $64⅛.

In the takeover arena, Allegheny International fell $2¾ to $18. Plans collapsed for a $24.60-a-share takeover of the troubled industrial and consumer products group by First Boston, the Wall Street investment firm. First Boston rose $⅞ to $48⅛.

Spectradyne jumped $7¾ to $37¾ in heavy over-the-counter trading. A group of investors led by Mr Marvin Davis has a 5.7 per cent stake and is seeking to acquire the rest of the company which sells to hotels a pay-per-viewing film service.

Burlington Industries fell $⅛ to $58½. The largest textiles producer in the US said it was considering making an offer for Dominion Textiles, a Canadian firm which has launched with Mr Asher Edelman, a New York investor, a $60-a-share offer for it.

Greyhound added $⅜ to $34⅞ after reporting first-quarter profits of 91 cents a share against 16 cents a year earlier. Ramada, a leading hotel chain, slipped $⅛ to $8⅝ despite a strong return to profits in the first quarter.

JWT fell $1 to $29. The parent company of J. Walter Thompson and other advertising and public relations agencies denied persistent rumours that it or any of its subsidiaries were for sale.

Bond prices were firm in quiet trading despite the weakness of the dollar. The price of the benchmark 7.50 per cent Treasury long bond was up 13/16 of a point at 87 23/32 by late afternoon with the yield falling to 8.66 per cent.

The focus of the credit markets was firmly on the three-day auction of $29bn of Treasury securities which began yesterday with the sale of $10bn of three-year notes. Such relatively short maturity instruments are not bought in any quantity by Japanese investors. So their current feelings towards US dollar-denominated bonds, given the dollar's continuing weakness, will not become apparent until later in the week.

Domestic demand for the three-year notes appeared to be relatively strong, particularly from deposit-taking institutions which are experiencing weak loan demand. In addition, a large volume of interest payments and maturing old notes might have encouraged heavy re-investment.

The federal funds rate at which banks lend reserves to each other eased a quarter of a point to 6¾ per cent. This key determinant of short-term interest rates which has been pushed a fraction by the Fed to help support the dollar is still a little higher than some analysts had been expecting given the easing of some technical factors which had contributed to its strength recently.

CANADA

ENERGY ISSUES and most of the mining sector advanced in Toronto with prices moderately higher, extending Monday's 22-point gain. Gold stocks and industrials retreated, however.

Falconbridge, a top active, put on C$⅛ to C$20⅞, and Alcan, another mining stock, was up C$⅜ at C$39⅜.

Among golds, Echo Bay fell C$1¼ after climbing on Monday by C$2⅜. Dome Mines slipped C$⅞ to C$21⅛; Campbell Red Lake was down C$⅜ to C$40⅜, but Lac Minerals strengthened C$⅜ to C$47⅜.

Dome Petroleum dropped 8 cents to C$1.22 after Swiss unsecured creditors said they would fight for the same treatment as Dome's secured bank credutors under a proposed takeover.

Roderick Oram reports on a further move towards global trading

Nasdaq sets up link with Singapore

NASDAQ, the US over-the-counter market, and the Stock Exchange of Singapore are to begin exchanging a selected list of quotations later this year as a first move towards closer ties.

"Our link with Singapore is a major step toward an integrated three-way trading linkage among markets in Europe, the US and the Pacific Basin," said Mr Gordon Macklin, president of the National Association of Securities Dealers (NASD) which runs the Nasdaq system.

The initial phase will, however, be more modest than that which Nasdaq established with the London Stock Exchange in April 1986 – in which about 280 Nasdaq and 200 LSE quotes are available on line.

The US-Singapore link, which will start in the last quarter of this year, will cover about 50 Nasdaq stocks traded in both countries, and the quotations will not be one line. Instead, closing prices and volume data will be transmitted from New York at 6pm local time each trading day and from Singapore at 5pm local time.

The two organisations hope, however, that further co-operation will lead to direct trading between dealers making markets, automated excecution of small orders, clearance and settlement facilities and joint regulation and automated surveillance of transaction between the two trading systems.

Singapore's system, Sesdaq, is an automated, screen-based market which is compatible with Nasdaq.

"We now want to use the capabilities of Sesdaq in the global marketplace for the trading of international securities," said Tan Chok Kian, executive chairman of the Singapore exchange.

EUROPE

Madrid tumbles as interest rate rise takes toll

THE DECLINING dollar depressed share prices in much of Europe, with most exchanges closing mixed or down. An attempt by the Spanish Government to check inflation by increasing interest rates caused the Madrid bourse to suffer its severest fall of the year.

Madrid saw a 7.33 points drop to 212.10 in its general index, and dealers are fearful that today's trading could drive the index below its 1986 close for the first time this year.

Last year, Madrid was one of Europe's strongest bourses, with the index more than doubling (from 100 points to 208).

The deterioration is being blamed on Spain's failure to contain inflation to 5 per cent as well as on labour unrest. The Bank of Spain raised the cost of borrowing on Monday to 19 1/16 per cent from 16⅞, the biggest of 18 increases so far this year.

Among utilities, market leader Telefonica shed 8 points to 152.25 per cent of nominal market value.

Frankfurt ended mixed in spite of the dollar's plunge to near seven-year lows against the D-Mark. Dealing was lively, however, with indications that the dollar is not seen as the only market influence. There were signs that the currency's continuing drop has already been built into prices. It fell back to DM 1.7640 at the fix, its lowest since July 30 1980 when it hit DM 1.7621.

Chemical and bank stocks changed little, and car stocks were up. Reports that Aga of Sweden had made a higher bid for the Duffour et Igon industrial gas group in France depressed the price of Linde, which also made a bid. A fall of DM 3.50 took the German machinery maker to DM 688.

Amsterdam prices ended mixed in quiet trading as investor interest remained strictly limited because of nervousness about the dollar, which had fallen below Fl 2 in New York overnight. A further fall in the dollar was being predicted.

Zurich prices were also mixed, and dealers blamed the dollar for limited losses by major banks and blue chips. Union Bank bearer stocks eased SFr 10 to SFr 4,690, Swiss Bank bearer fell back SFr 4 to SFr 435

Brussels ended slightly lower. Reserve slipped BFr 5 to BFr 3,785.

Paris drifted lower. L'Oréal lost FFr 60 to FFr 4,420.

Milan ended lower across the board.

Fecsa tries to rearrange debts, Page 31.

LONDON

OPTIMISM grew in the London securities markets for another cut in domestic interest rates and an early re-election of the Thatcher Government. Bonds moved up strongly, with gains ranging up to a full point at the long end.

Equities, however, were restrained by an absence of international buyers, and the FT-SE 100 index closed 3.4 lower at 2,065.1 while the FT Ordinary index was unchanged at 1,626.9. Details, Page 46

Chicago to be first into OTC market

By David Owen in Chicago

THE CHICAGO-BASED Midwest Stock exchange will finally become the first US exchange to enter the fast-growing over-the-counter market when it launches a one-year pilot programme in 25 over-the-counter stocks on May 18.

The exchange has been seeking permission to trade unlisted stocks since 1984. Other US regional exchanges are expected to follow suit later in the year.

Under the programme, the MSE, the second-largest US stock exchange, will effectively act as another market maker for the stocks in question in the National Association of Securities Dealers Automated Quotation (Nasdaq) systems.

The 25 issues selected by the exchange comprise stocks from a broad range of industries and include Apple Computer, Battle Mountain Gold, Kemper Corp, Liz Claiborne and MCI Communications.

MSE officials contend that the presence of exchange specialists will narrow the spread between bid and offer price of the OTC issues. "If a customer wants to bid between the current bid-offer spread, our specialist is required to represent that quote in the open market," says Mr Ted Jackson, the MSE's manager of new product development.

Mr Jackson further argues that the specialists' obligation to quote the size and price of public orders should, in turn, oblige the market makers to be more competitive. At present, market makers typically indicate that their displayed bid and offer prices are valid only for the first 100 shares traded, after which rates become negotiable.

Despite MSE officials' protestations that some market makers have already agreed to trade with exchange specialists, many observers feel the exchange will have to compete aggressively for business, at risk of souring relationships with traditional customers.

SOUTH AFRICA

GOLD SHARES climbed sharply in volatile trading in Johannesburg. The bullion price appreciated from Monday's trading level of about $458 to $465 an ounce but dropped back again as gold fell to a London afternoon fix of $459.25.

Vaal Reefs was indicative of this trend. The stock rose from Monday's close of R420 to R433 but fell back to R432. There was apparently profit-taking in the afternoon with buying coming only from overseas.

Other gold stocks to benefit included Driefontein, which rose to R83 from R79.50, and Randfontein, which appreciated R10 to close at R480.

ASIA

Mr Kelly joins the crush on the Tokyo stock floor

TOKYO

THE GRADUAL internationalisation of the Tokyo Stock Exchange is perhaps symbolised by Mr Brian Kelly, a 23-year-old American who has become the only non-Japanese among the TSE's 1,600 floor traders, *writes Shigeo Nishiwaki of Jiji Press.*

Mr Kelly, a fluent speaker of Japanese, swapped his blue observer's badge for the white one of a fully fledged floor trader in April, vowing Japanese-style: "I'll give it my best."

He is one of 15 TSE floor traders at the Tokyo branch of Morgan Stanley International Ltd., which was among the first six foreign securities companies to join the TSE last year.

Mr Kelly joined the firm in August and admits that at first sight the hubbub on the floor made him "weak at the knees".

Buy and sell orders for Japanese securities received by Morgan Stanley's Tokyo office are transmitted to the company's computer terminals at the TSE, where they are signalled to Mr Kelly on the floor.

A rapid mime is played out, telling him the name of the issue, to buy or sell, the number of stocks and the price, details which Mr Kelly gives verbally to the TSE clerks.

The pressures are intense. In transactions involving billions of yen, the slightest slip-up could have disastrous consequences, and when traders are running after a popular issue, the floor can remind a young man of an American football field.

Tokyo was closed for a holiday.

"I'm still in there because I don't want to be beaten by anyone," Mr Kelly says.

He came to know Japan when his father was Tokyo branch office manager for the American advertising company J. Walter Thompson. He attended Tokyo's Sophia University before transferring to Washington's Georgetown University in 1983 to study International Relations.

Until recently, his novelty value on the TSE floor was a hindrance. The Japanese would cluster around him and ply him with questions, causing him embarrassment.

Now the "Kerry-madness" has calmed down, he is steadily making real friends at work and goes out drinking with them at bars frequented by ordinary Japanese. He even sometimes enters golf competitions, another typical form of relaxation for Japanese businessmen.

He is, however, unhappy about the closed nature of Tokyo's capital market, saying it would be unfair of Japan not to open its markets further in view of the freedom with which Japanese securities companies operate overseas.

After hours, Mr Kelly is studying for an examination to qualify as a securities trader. He grimaces at the difficulty of written Japanese, particularly legal terms, but is determined to pass.

According to Hidekichi Tanaka, executive director and deputy general manager of Morgan Stanley's Tokyo office, Mr Kelly is outperforming expectations and will be made a Japanese securities trader once he has a little more experience.

For the future, Mr Kelly hopes to add London to his work experience and later become a specialist trader in Japanese securities on Wall Street.

SINGAPORE

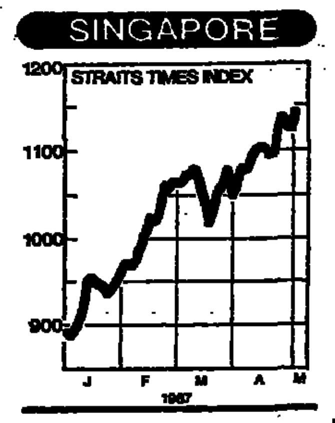
CONTINUED bargain-hunting pushed share prices to new heights in Singapore. The Straits Times industrial index climbed 13.67 to a record 1,145.65 compared with the previous high of 1,140.37 set on April 27.

Interest focused on cheaper stocks which had been neglected in the recent rally. Tan Chong was to the fore among actives, moving up 2 cents to 79 cents. Paper Products climbed 4 cents to 55 cents, and Malaysian Resources was up 3 cents to 40 cents.

Palmco gained 2 cents to S$1.10, Faber Merlin rose 3½ cents to 78½ cents, United Motors advanced 9 cents to S$1.12 and Pegi added 5½ cents to 79 cents. UOB, however, shed 12 cents to S$4.98.

Cerebos put on 10 cents to close at S$5.85, Inchcape was 12 cents up at S$3.94 and Genting and Metro both posted gains of 20 cents. Genting closed at S$6.80.

SINGAPORE



AUSTRALIA

SUPPORT for gold and the main resource stocks boosted Sydney prices, which ended the day up sharply. A steep overnight advance in the gold price brought further support for miners, and the All Ordinaries index climbed 22 points to end the day at 1,787.3. The gold index put on 57.8 points to 3,563.1.

GMK advanced A$1 among the golds, North Flinders was 80 cents up at A$25.80, CRA put on 50 cents to A$10.80 and Miner WMC gained 55 cents to A$11.95.

Niugini strengthened 60 cents to A$14, and Metana ended 50 cents stronger at A$16.50. Coles Myer was 20 cents stronger at A$7.20.

HONG KONG

THE HANG SENG index was up 28.08 points at 2,713.83 in Hong Kong, having gained from the start. Local bargain-hunting led to the modest rise in prices.

Jardine Matheson put on 30 cents to HK$15.90; Swire Pacific A gained 30 cents to HK$17.70; Hang Seng Bank moved up 25 cents to HK$35; Sun Hung Kai Properties added 20 cents to HK$14.70; HK Land advanced 10 cents to HK$5.90; and New World Development hardened by 10 cents to HK$10.50.

Asia 'attracting growing interest'

ASIAN stockmarkets outside Japan now have a total capitalisation of $70bn and global investors are growing increasingly interested in them, according to an official of the International Finance Corp (IFC), *Reuter reports from Manila.*

"Investment managers are scouting Asian markets. Major emerging markets are getting internationalised, and top companies are outgrowing domestic markets," Mr Antoine van Agtmael told a meeting of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

Mr van Agtmael is deputy director of the IFC's capital markets department.

He said the growth of local stockmarkets meant most Asian countries were not as dependent on development finance as they once were.

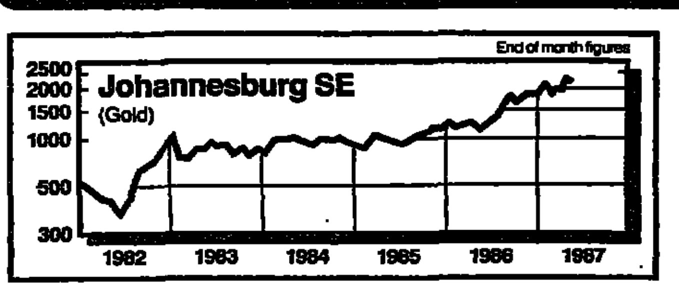
India now has the largest market capitalisation in Asia outside Japan. Capitalisation there has reached $18bn, a 261 per cent increase from $5bn in 1977, he said.

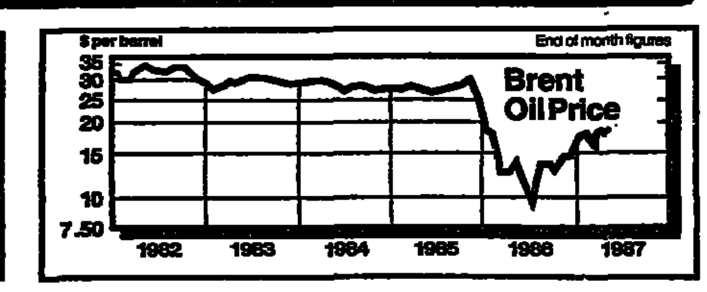
Over the same period Malaysia recorded the highest growth rate, rising 400 per cent to $15bn from $3bn.

Taiwan's market grew to $15bn from $3.4bn over the past 10 years while South Korea's rose to $15bn from $4.9bn, Mr van Agtmael said. But development of markets has been uneven in Indonesia, Bangladesh and Sri Lanka.

He said India also has more shareholders than any Asian country outside Japan. There are 6m Indian shareholders, or 1.1 per cent of the population. In South Korea 3 per cent of the population, or 3.3m people, own shares.

KEY MARKET MONITORS





STOCK MARKET INDICES

	May 5	Previous	Year ago
NEW YORK			
DJ Industrials	2,338.07	2,286.22	1,793.77
DJ Transport	945.85	924.22	792.44
DJ Utilities	206.34	203.59	183.58
S&P Comp.	295.34	289.36	237.73
LONDON FT			
Ord	1,626.9	closed	1,368.5
SE 100	2,065.1	closed	1,652.5
A All-share	1,031.74	closed	812.52
A 500	1,150.09	closed	890.11
Gold mines	453.0	closed	256.4
A Long gilt	8.80	closed	9.01
World Act. Ind	131.31	130.66	89.32
(April 29)			
TOKYO			
Nikkei	closed	closed	15,868.4
Tokyo SE	closed	closed	1,252.72
AUSTRALIA			
All Ord.	1,790.6	1,765.4	1,231.2
Metals & Mins.	1,212.0	1,173.4	518.9
AUSTRIA			
Credit Aktien	195.02	194.49	268.26
BELGIAN SE	4,582.00	4,606.22	3,605.69
CANADA			
Toronto			
Met.& Mins.	2,827.2	1,867.33	2,110
Composite	3,754.7	3,730.30	3,068.2
Montreal			
Portfolio	1,855.75	1,840.61	1,573.17
DENMARK SE	n/a	199.40	239.55
FRANCE			
CAC Gen	449.60	452.6	393.9
Ind. Tendance	112.40	113.3	95.00
WEST GERMANY			
FAZ-Aktien	590.16	588.61	692.77
Commerzbank	1,785.10	1,776.10	2,109.0
HONG KONG Hang Seng	2,713.83	2,685.75	1,842.44
ITALY Banca Comm.	758.23	766.40	790.76
NETHERLANDS ANP CBS			
Gen	276.40	277.60	264.6
Ind	255.90	256.60	253.4
NORWAY Oslo SE	407.87	418.45	338.05
SINGAPORE Straits Times	1,145.60	1,131.98	575.67
SOUTH AFRICA JSE			
Golds	—	2,177	1,183.2
Industrials	—	1,836	1,103.9
SPAIN Madrid SE	212.10	219.43	184.51
SWEDEN J & P	2,758.30	2,745.20	2,207.45
SWITZERLAND Swiss Bank Ind	588.10	588.9	583.5

COMMODITIES (London)

	May 5	Prev
Silver (spot)	530.45p	closed
Copper (cash)	£886.00	closed
Coffee (May)	£1,313.50	closed
Oil (Brent)	$19.15	closed

GOLD ($/oz)

	May 5	Prev
London	$457.50	closed
Zürich	$459.00	$457.75
Paris (fixing)	$463.59	$454.93
Luxembourg	$464.45	$458.05
New York (June)	$460.80	$465.25

CURRENCIES (London)

	US DOLLAR May 5	US DOLLAR Previous	STERLING May 5	STERLING Previous
$	–	–		closed
DM	1.7690	closed		closed
Yen	138.70	closed		closed
FFr	5.9175	closed		closed
SFr	1.4535	closed		closed
Fl	1.9945	closed		closed
Lira	1,267	closed		closed
BFr	36.75	closed		closed
C$	1.3420	closed		closed

INTEREST RATES

Euro-currencies (3-month offered rate)	May 5	Prev
£	8 11/16	closed
SFr	3 13/16	closed
DM	3¾	closed
FFr	8⅝	closed
FT London Interbank fixing (offered rate)		
3-month US$	7 5/16	closed
6-month US$	7 7/16	closed
US Fed Funds	6⅞*	6¾
US 3-month CDs	6.75*	7.125
US 3-month T-bills	5.825*	5.78

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
US Treasury Bonds (CBT) 8% 32nds of 100%				
May 5				
June	90-28	91-14	90-12	90-15
US Treasury Bills (IMM) $1m points of 100%				
June	93.68	93.75	93.67	93.67
Certificates of Deposit (IMM) $1m points of 100%				
June	n/a	n/a	n/a	93.28
LONDON				
Three-month Eurodollar $1m points of 100%				
June	92.56	92.48	92.41	92.56
20-year National Gilt £50,000 32nds of 100%				
June	127-19	127-24	126-30	126-07

US BONDS

Treasury

	May 5 Price	May 5 Yield	Prev Price	Prev Yield
7¼ 1989	99 3/32	7.59	99 1/32	7.607
7 1994	93 11/32	8.281	93	8.344
7¼ 1996	92 7/32	8.455	91 19/32	8.50
7¼ 2016	87 19/32	8.671	87 10/32	8.70

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	Return index May 5	Day's change	Yield	Day's change
1–30	163.17	+0.23	6.93	−0.03
1–10	154.63	+0.12	6.66	−0.03
1– 3	144.03	+0.07	6.37	−0.03
3– 5	157.57	+0.17	6.71	−0.03
15–30	193.59	+0.59	7.78	−0.03

Source: Merrill Lynch

Corporate

	May 4* Price	May 4* Yield	Prev Price	Prev Yield
AT&T 3⅞ July 1990	92.387	6.60	92.38	6.60
SCBT South Central 10⅞ Jan 1993	104	9.95	104.00	9.96
Phibro Sal 8 April 1996	91.956	9.36	92.52	9.25
TRW 8⅞ March 1996	96.718	9.30	97	9.25
Arco 9⅞ March 2016	101	9.77	101.125	9.76
General Motors 8⅜ April 2016	84.375	9.75	84.0	9.69
Citicorp 9⅜ March 2016	94.55	9.95	93.66	10.05

Source: Salomon Brothers

* Latest available figures